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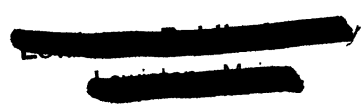
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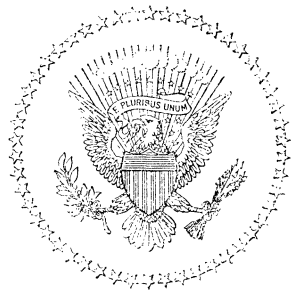
OF THE UNITED STATES

Harry S. Truman

Containing the Public Messages, Speeches, and Statements of the President

JANUARY 1 TO DECEMBER 31, 1949

1949



UNITED STATES GOVERNMENT PRINTING OFFICE

WASHINGTON : 1964

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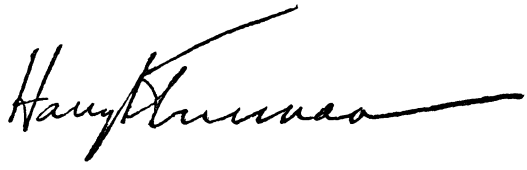


FOREWORD

THE IMPORTANCE OF this series lies in the extraordinary character of the office of President of the United States.

A President's written and spoken words can command national and international attention if he has within him the power to attract and hold that attention. It is partly through the use of this power that leadership arises, events are molded, and administrations take their shape.

It is this power, quite as much as powers written into the Constitution, that gives to the papers of Presidents their peculiar and revealing importance.



PREFACE

IN THIS VOLUME are gathered most of the public messages and statements of the President of the United States that were released by the White House during 1949. Similar volumes are available covering 1945–1948, and the administrations of President Eisenhower and President Kennedy. Volumes covering the period January 1, 1950–January 20, 1953, and the period November 22, 1963–December 31, 1964, are under preparation.

This series was begun in 1957 in response to a recommendation of the National Historical Publications Commission. An extensive compilation of the messages and papers of the Presidents, covering the period 1789 to 1897, was assembled by James D. Richardson and published under congressional authority between 1896 and 1899. Since that time various private compilations were issued, but there was no uniform, systematic publication comparable to the *Congressional Record* or the *United States Supreme Court Reports.* Many Presidential papers could be found only in mimeographed White House releases or as reported in the press. The National Historical Publications Commission therefore recommended the establishment of an official series in which Presidential writings and utterances of a public nature could be made promptly available.

The Commission's recommendation was incorporated in regulations of the Administrative Committee of the Federal Register issued under section 6 of the Federal Register Act (44 U.S.C. 306). The Committee's regulations, establishing the series and providing for the coverage of prior years, are reprinted at page 612 as "Appendix D."

CONTENT AND ARRANGEMENT

The text of this book is based on Presidential materials issued during 1949 as White House releases and on transcripts of news conferences. A list of White House releases from which final selections were made is published at page 595 as "Appendix A."

The full text of President Truman's news conferences is here published for the first time, since direct quotation of the President's replies usually was not authorized. Addresses and speeches have been printed as actually delivered.

Proclamations, Executive orders, and similar documents required by law to be published in the *Federal Register* and *Code of Federal Regulations* are not repeated. Instead, they are listed by number and subject under the heading "Appendix B" at page 605.

The President is required by statute to transmit numerous reports to Congress. Those transmitted during the period covered by this volume are listed at page 611 as "Appendix C."

The items published in this volume are presented in chronological order, rather than being grouped in classes. Most needs for a classified arrangement are met by the subject index. For example, a reader interested in veto messages will find them listed in the index under the heading "veto messages."

The dates shown at the end of item headings are White House release dates. In instances where the date of the document differs from the release date that fact is shown in brackets immediately following the heading. Other editorial devices, such as text notes, footnotes, and cross references, have been supplied where needed for purposes of clarity.

Remarks or addresses were delivered in Washington, D.C., unless

otherwise indicated. Similarly, statements, messages, and letters were issued from the White House in Washington unless otherwise indicated.

Original source materials, where available, have been used to protect against substantive errors in transcription. In maintaining the integrity of the text, valuable assistance was furnished by Dr. Philip C. Brooks, Philip D. Lagerquist, and Jerry N. Hess of the Truman Library.

The planning and publication of this series is under the direction of David C. Eberhart of the Office of the Federal Register. The editor of the present volume was Warren R. Reid, assisted by Mildred B. Berry. Frank H. Mortimer of the Government Printing Office developed the typography and design.

WAYNE C. GROVER
Archivist of the United States

BERNARD L. BOUTIN
Administrator of General Services
October 22, 1964

34-483—64——2

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FRONTISPIECE—Picture of the President and Vice President Barkley entering the White House grounds after the Inaugural Parade, January 20, 1949 (*courtesy of The Washington Star*).

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Harry S. Truman

1949

1 White House Statement Announcing Recognition of the Government of Korea. *January* 1, 1949

ON DECEMBER 12, 1948, the United Nations General Assembly adopted a resolution approving the conclusions of the report of the United Nations Temporary Commission on Korea and declaring in part "that there has been established a lawful government (the Government of the Republic of Korea), having effective control and jurisdiction over that part of Korea where the Temporary Commission was able to observe and consult and in which the great majority of the people of all Korea reside; that this government is based on elections which were a valid expression of the free will of the electorate of that part of Korea and which were observed by the Temporary Commission; and that this is the only such government in Korea." The Resolution of December 12 concluded with the recommendation that member states and other nations take the foregoing facts into consideration in establishing their relations with the Government of Korea.

In the light of this action by the General Assembly, and taking into account the facts set forth in the statement issued by this Government on August 12, 1948, concerning the new Korean Government, the United States Government has decided to extend full recognition to the Government of the Republic of Korea. Incidental to this step it is anticipated that, by agreement with that government, the Mission of the United States Special Representative in Korea will in the near future be raised to embassy rank.

In conformity with the General Assembly Resolution of December 12, the United States Government will endeavor to afford every assistance and facility to the new United Nations Commission on Korea established thereunder in its efforts to help the Korean people and their lawful government to achieve the goal of a free and united Korea.

NOTE: The statement issued by the United States on August 12, 1948, was released by the Department of State. The text is published in the Department of State Bulletin (vol. 19, p. 242).

2 Annual Message to the Congress on the State of the Union. *January* 5, 1949

[As delivered in person before a joint session]

Mr. President, Mr. Speaker, Members of the Congress:

I am happy to report to this 81st Congress that the state of the Union is good. Our Nation is better able than ever before to meet the needs of the American people, and to give them their fair chance in the pursuit of happiness. This great Republic is foremost among the nations of the world in the search for peace.

During the last 16 years, our people have been creating a society which offers new opportunities for every man to enjoy his share of the good things of life.

In this society, we are conservative about the values and principles which we cherish; but we are forward-looking in protecting those values and principles and in extending their benefits. We have rejected the discredited theory that the fortunes of the

Nation should be in the hands of a privileged few. We have abandoned the "trickle-down" concept of national prosperity. Instead, we believe that our economic system should rest on a democratic foundation and that wealth should be created for the benefit of all.

The recent election shows that the people of the United States are in favor of this kind of society and want to go on improving it.

The American people have decided that poverty is just as wasteful and just as unnecessary as preventable disease. We have pledged our common resources to help one another in the hazards and struggles of individual life. We believe that no unfair prejudice or artificial distinction should bar any citizen of the United States of America from an education, or from good health, or from a job that he is capable of performing.

The attainment of this kind of society demands the best efforts of every citizen in every walk of life, and it imposes increasing responsibilities on the Government.

The Government must work with industry, labor, and the farmers in keeping our economy running at full speed. The Government must see that every American has a chance to obtain his fair share of our increasing abundance. These responsibilities go hand in hand.

We cannot maintain prosperity unless we have a fair distribution of opportunity and a widespread consumption of the products of our factories and farms.

Our Government has undertaken to meet these responsibilities.

We have made tremendous public investments in highways, hydroelectric power projects, soil conservation, and reclamation. We have established a system of social security. We have enacted laws protecting the rights and the welfare of our working people and the income of our farmers. These Federal policies have paid for themselves many times over. They have strengthened the material foundations of our democratic ideals. Without them, our present prosperity would be impossible.

Reinforced by these policies, our private enterprise system has reached new heights of production. Since the boom year of 1929, while our population has increased by only 20 percent, our agricultural production has increased by 45 percent, and our industrial production has increased by 75 percent. We are turning out far more goods and more wealth per worker than we have ever done before.

This progress has confounded the gloomy prophets—at home and abroad—who predicted the downfall of American capitalism. The people of the United States, going their own way, confident in their own powers, have achieved the greatest prosperity the world has even seen.

But, great as our progress has been, we still have a long way to go.

As we look around the country, many of our shortcomings stand out in bold relief.

We are suffering from excessively high prices.

Our production is still not large enough to satisfy our demands.

Our minimum wages are far too low.

Small business is losing ground to growing monopoly.

Our farmers still face an uncertain future. And too many of them lack the benefits of our modern civilization.

Some of our natural resources are still being wasted.

We are acutely short of electric power, although the means for developing such power are abundant.

Five million families are still living in slums and firetraps. Three million families

share their homes with others.

Our health is far behind the progress of medical science. Proper medical care is so expensive that it is out of the reach of the great majority of our citizens.

Our schools, in many localities, are utterly inadequate.

Our democratic ideals are often thwarted by prejudice and intolerance.

Each of these shortcomings is also an opportunity—an opportunity for the Congress and the President to work for the good of the people.

Our first great opportunity is to protect our economy against the evils of "boom and bust."

This objective cannot be attained by government alone. Indeed, the greater part of the task must be performed by individual efforts under our system of free enterprise. We can keep our present prosperity, and increase it, only if free enterprise and free government work together to that end.

We cannot afford to float along ceaselessly on a postwar boom until it collapses. It is not enough merely to prepare to weather a recession if it comes. Instead, government and business must work together constantly to achieve more and more jobs and more and more production—which mean more and more prosperity for all the people.

The business cycle is man-made; and men of good will, working together, can smooth it out.

So far as business is concerned, it should plan for steady, vigorous expansion—seeking always to increase its output, lower its prices, and avoid the vices of monopoly and restriction. So long as business does this, it will be contributing to continued prosperity, and it will have the help and encouragement of the Government.

The Employment Act of 1946 pledges the Government to use all its resources to promote maximum employment, production, and purchasing power. This means that the Government is firmly committed to protect business and the people against the dangers of recession and against the evils of inflation. This means that the Government must adapt its plans and policies to meet changing circumstances.

At the present time, our prosperity is threatened by inflationary pressures at a number of critical points in our economy. And the Government must be in a position to take effective action at these danger spots. To that end, I recommend that the Congress enact legislation for the following purposes:

First, to continue the power to control consumer credit and enlarge the power to control bank credit.

Second, to grant authority to regulate speculation on the commodity exchanges.

Third, to continue export control authority and to provide adequate machinery for its enforcement.

Fourth, to continue the priorities and allocation authority in the field of transportation.

Fifth, to authorize priorities and allocations for key materials in short supply.

Sixth, to extend and strengthen rent control.

Seventh, to provide standby authority to impose price ceilings for scarce commodities which basically affect essential industrial production or the cost of living, and to limit unjustified wage adjustments which would force a break in an established price ceiling.

Eighth, to authorize an immediate study of the adequacy of production facilities for materials in critically short supply, such as steel; and, if found necessary, to authorize Government loans for the expansion of production facilities to relieve such shortages, and to authorize the construction of such facilities directly, if action by private in-

dustry fails to meet our needs.

The Economic Report, which I shall submit to the Congress shortly, will discuss in detail the economic background for these recommendations.

One of the most important factors in maintaining prosperity is the Government's fiscal policy. At this time, it is essential not only that the Federal budget be balanced, but also that there be a substantial surplus to reduce inflationary pressures, and to permit a sizable reduction in the national debt, which now stands at $252 billion. I recommend, therefore, that the Congress enact new tax legislation to bring in an additional $4 billion of Government revenue. This should come principally from additional corporate taxes. A portion should come from revised estate and gift taxes. Consideration should be given to raising personal income rates in the middle and upper brackets.

If we want to keep our economy running in high gear, we must be sure that every group has the incentive to make its full contribution to the national welfare. At present, the working men and women of the Nation are unfairly discriminated against by a statute that abridges their rights, curtails their constructive efforts, and hampers our system of free collective bargaining. That statute is the Labor-Management Relations Act of 1947, sometimes called the Taft-Hartley Act.

That act should be repealed!

The Wagner Act should be reenacted. However, certain improvements, which I recommended to the Congress 2 years ago, are needed. Jurisdictional strikes and unjustified secondary boycotts should be prohibited. The use of economic force to decide issues arising out of the interpretation of existing contracts should be prevented. Without endangering our democratic freedoms, means should be provided for setting up machinery for preventing strikes in vital industries which affect the public interest.

The Department of Labor should be rebuilt and strengthened and those units properly belonging within that department should be placed in it.

The health of our economy and its maintenance at high levels further require that the minimum wage fixed by law should be raised to at least 75 cents an hour.

If our free enterprise economy is to be strong and healthy, we must reinvigorate the forces of competition. We must assure small business the freedom and opportunity to grow and prosper. To this purpose, we should strengthen our antitrust laws by closing those loopholes that permit monopolistic mergers and consolidations.

Our national farm program should be improved—not only in the interest of the farmers, but for the lasting prosperity of the whole Nation. Our goals should be abundant farm production and parity income for agriculture. Standards of living on the farm should be just as good as anywhere else in the country.

Farm price supports are an essential part of our program to achieve these ends. Price supports should be used to prevent farm price declines which are out of line with general price levels, to facilitate adjustments in production to consumer demands, and to promote good land use. Our price support legislation must be adapted to these objectives. The authority of the Commodity Credit Corporation to provide adequate storage space for crops should be restored.

Our program for farm prosperity should also seek to expand the domestic market for agricultural products, particularly among low-income groups, and to increase and stabilize foreign markets.

We should give special attention to extending modern conveniences and services to our farms. Rural electrification should be pushed forward. And in considering legislation relating to housing, education, health, and social security, special attention should be given to rural problems.

Our growing population and the expansion of our economy depend upon the wise management of our land, water, forest, and mineral wealth. In our present dynamic economy, the task of conservation is not to lockup our resources but to develop and improve them. Failure, today, to make the investments which are necessary to support our progress in the future would be false economy.

We must push forward the development of our rivers for power, irrigation, navigation, and flood control. We should apply the lessons of our Tennessee Valley experience to our other great river basins.

I again recommend action be taken by the Congress to approve the St. Lawrence Seaway and Power project. This is about the fifth time I have recommended it.

We must adopt a program for the planned use of the petroleum reserves under the sea, which are—and must remain—vested in the Federal Government. We must extend our programs of soil conservation. We must place our forests on a sustained yield basis, and encourage the development of new sources of vital minerals.

In all this we must make sure that the benefits of these public undertakings are directly available to the people. Public power should be carried to consuming areas by public transmission lines where necessary to provide electricity at the lowest possible rates. Irrigation waters should serve family farms and not land speculators.

The Government has still other opportunities—to help raise the standard of living of our citizens. These opportunities lie in the fields of social security, health, education, housing, and civil rights.

The present coverage of the social security laws is altogether inadequate; the benefit payments are too low. One-third of our workers are not covered. Those who receive old-age and survivors insurance benefits receive an average payment of only $25 a month. Many others who cannot work because they are physically disabled are left to the mercy of charity. We should expand our social security program, both as to the size of the benefits and the extent of coverage, against the economic hazards due to unemployment, old age, sickness, and disability.

We must spare no effort to raise the general level of health in this country. In a nation as rich as ours, it is a shocking fact that tens of millions lack adequate medical care. We are short of doctors, hospitals, nurses. We must remedy these shortages. Moreover, we need—and we must have without further delay—a system of prepaid medical insurance which will enable every American to afford good medical care.

It is equally shocking that millions of our children are not receiving a good education. Millions of them are in overcrowded, obsolete buildings. We are short of teachers, because teachers' salaries are too low to attract new teachers, or to hold the ones we have. All these school problems will become much more acute as a result of the tremendous increase in the enrollment in our elementary schools in the next few years. I cannot repeat too strongly my desire for prompt Federal financial aid to the States to help them operate and maintain their school systems.

The governmental agency which now administers the programs of health, education, and social security should be given full

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departmental status.

The housing shortage continues to be acute. As an immediate step, the Congress should enact the provisions for low-rent public housing, slum clearance, farm housing, and housing research which I have repeatedly recommended. The number of low-rent public housing units provided for in the legislation should be increased to 1 million units in the next 7 years. Even this number of units will not begin to meet our need for new housing.

Most of the houses we need will have to be built by private enterprise, without public subsidy. By producing too few rental units and too large a proportion of high-priced houses, the building industry is rapidly pricing itself out of the market. Building costs must be lowered.

The Government is now engaged in a campaign to induce all segments of the building industry to concentrate on the production of lower priced housing. Additional legislation to encourage such housing will be submitted.

The authority which I have requested, to allocate materials in short supply and to impose price ceilings on such materials, could be used, if found necessary, to channel more materials into homes large enough for family life at prices which wage earners can afford.

The driving force behind our progress is our faith in our democratic institutions. That faith is embodied in the promise of equal rights and equal opportunities which the founders of our Republic proclaimed to their countrymen and to the whole world.

The fulfillment of this promise is among the highest purposes of government. The civil rights proposals I made to the 80th Congress, I now repeat to the 81st Congress. They should be enacted in order that the Federal Government may assume the leadership and discharge the obligations clearly placed upon it by the Constitution.

I stand squarely behind those proposals.

Our domestic programs are the foundation of our foreign policy. The world today looks to us for leadership because we have so largely realized, within our borders, those benefits of democratic government for which most of the peoples of the world are yearning.

We are following a foreign policy which is the outward expression of the democratic faith we profess. We are doing what we can to encourage free states and free peoples throughout the world, to aid the suffering and afflicted in foreign lands, and to strengthen democratic nations against aggression.

The heart of our foreign policy is peace. We are supporting a world organization to keep peace and a world economic policy to create prosperity for mankind. Our guiding star is the principle of international cooperation. To this concept we have made a national commitment as profound as anything in history.

To it we have pledged our resources and our honor.

Until a system of world security is established upon which we can safely rely, we cannot escape the burden of creating and maintaining armed forces sufficient to deter aggression. We have made great progress in the last year in the effective organization of our Armed Forces, but further improvements in our national security legislation are necessary. Universal training is essential to the security of the United States.

During the course of this session I shall have occasion to ask the Congress to consider several measures in the field of foreign policy. At this time, I recommend that we restore the Reciprocal Trade Agreements Act to full effectiveness, and extend it for

3 years. We should also open our doors to displaced persons without unfair discrimination.

It should be clear by now to all citizens that we are not seeking to freeze the status quo. We have no intention of preserving the injustices of the past. We welcome the constructive efforts being made by many nations to achieve a better life for their citizens. In the European recovery program, in our good-neighbor policy and in the United Nations, we have begun to batter down those national walls which block the economic growth and the social advancement of the peoples of the world.

We believe that if we hold resolutely to this course, the principle of international cooperation will eventually command the approval even of those nations which are now seeking to weaken or subvert it.

We stand at the opening of an era which can mean either great achievement or terrible catastrophe for ourselves and for all mankind.

The strength of our Nation must continue to be used in the interest of all our people rather than a privileged few. It must continue to be used unselfishly in the struggle for world peace and the betterment of mankind the world over.

This is the task before us.

It is not an easy one. It has many complications, and there will be strong opposition from selfish interests.

I hope for cooperation from farmers, from labor, and from business. Every segment of our population and every individual has a right to expect from our Government a fair deal.

In 1945, when I came down before the Congress for the first time on April 16, I quoted to you King Solomon's prayer that he wanted wisdom and the ability to govern his people as they should be governed. I explained to you at that time that the task before me was one of the greatest in the history of the world, and that it was necessary to have the complete cooperation of the Congress and the people of the United States.

Well now, we are taking a new start with the same situation. It is absolutely essential that your President have the complete cooperation of the Congress to carry out the great work that must be done to keep the peace in this world, and to keep this country prosperous.

The people of this great country have a right to expect that the Congress and the President will work in closest cooperation with one objective—the welfare of the people of this Nation as a whole.

In the months ahead I know that I shall be able to cooperate with this Congress.

Now, I am confident that the Divine Power which has guided us to this time of fateful responsibility and glorious opportunity will not desert us now.

With that help from Almighty God which we have humbly acknowledged at every turning point in our national life, we shall be able to perform the great tasks which He now sets before us.

NOTE: The President spoke at 1 p.m. His address was broadcast nationally.

3 Letter to the President of the Senate and to the Speaker of the House Urging Pay Increases for Federal Executives. *January 6, 1949*

Dear Mr. ————:

I request that the Congress take prompt action to increase the compensation of the heads and assistant heads of the Executive departments and of other Government officers of comparable rank.

Inadequate salaries have long made it difficult to obtain and hold able men for positions of greatest responsibility in the Government service. For most of those positions, there have been no pay increases in many years. In the meantime, other salaries, in both government and industry, have risen sharply, and opportunities for larger compensation in private industry have greatly expanded.

In recent years, the difficulties of obtaining and holding the best qualified citizens for official positions has definitely impaired the Government service. This condition has now progressed to the point where it constitutes a serious threat to the efficiency of the Government.

The men who hold the offices in question must translate into action the policies determined upon by the Congress. Their ability determines in large measure whether these policies are to succeed or fail. The national interest requires that we get and keep in these positions the most capable men and women that can be found. To do this, we must pay fair salaries.

I recognize that the Government cannot pay salaries equal to those in private industry for positions of comparable importance. But it can reduce the discrepancy enough to permit able and public spirited citizens to serve the Government without too great a disadvantage.

Fortunately, the Congress is in a position to take intelligent and considered action on this problem without delay. Within the last month, extensive evidence on the subject has been presented to a Senate subcommittee and is now available to the Congress. This evidence includes supporting testimony by former President Hoover, as Chairman of the Commission on Organization of the Executive Branch of the Government. The subcommittee examined the problem carefully, fairly, and without partisanship. The bill which they developed, and which has now been introduced in the 81st Congress, is the result of more than a year's study.

That bill establishes a salary range of from $17,500 to $25,000 for the officials in question. These provisions are in accordance with recommendations made to the subcommittee by the Administration. I urge their passage in their present form. Questions concerning the compensation of Federal officers and employees not included in this bill should not be permitted to impede or delay its passage, but should be considered separately at an early date.

On January twentieth, a new Presidential term will begin. During that term the Executive branch of the Government will be called upon to bear responsibilities of great magnitude. Prompt action on this bill is of great importance to me in strengthening the management of the Executive Branch to meet those responsibilities. Its small cost will be repaid many times. I ask the Congress to give me the means which will make it possible for me to get and keep the men who are required for the job ahead.

I hope that this legislation will be enacted

into law immediately.

Sincerely yours,

HARRY S. TRUMAN

NOTE: This is the text of identical letters addressed to the Honorable Kenneth D. McKellar, President pro tempore of the Senate, and to the Honorable Sam Rayburn, Speaker of the House of Representatives. See also Item 218.

On October 15 the President approved a bill "to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies" (63 Stat. 880).

4 The President's News Conference of *January 7*, 1949

THE PRESIDENT. I have some announcements to make to you this morning, that is the reason I called the meeting.

[1.] Secretary Marshall and Under Secretary Lovett are resigning, effective the 20th of January.

And I am appointing Dean Acheson as Secretary of State, and James E. Webb as Under Secretary of State—who is now the Director of the Budget.

I am appointing Frank Pace, Jr., of Arkansas, Director of the Budget, to replace Webb.

And Frederick J. Lawton as Assistant Director of the Budget——

Q. Mr. President, you are going a little fast for me. After Webb? [*Laughter*]

THE PRESIDENT. Frank Pace of Arkansas, to be Director of the Budget. He is now Assistant Director; and Frederick J. Lawton, to be Assistant Director of the Budget. He is a career man in the Budget.

Q. Is that L-a-u-g-h-t-o-n?

THE PRESIDENT. L-a-w-t-o-n—Frederick J. Lawton. He has been in the Budget for a long time—very able fellow.

I have this letter from General Marshall, and you will get mimeographed copies of this letter—dated January the 3d:

[*Reading*] "I regret that it is necessary for me to submit my resignation as Secretary of State.

"Please accept my thanks for the extraordinary consideration and complete support you have given me these past three years. I shall never forget your kindness and I submit this resignation with affectionate regard and great respect. Faithfully yours, George C. Marshall."

[*Reading*] "Your letter of January third emphasizes to me that considerations of health compel your decision to return to private life, which I had hoped in your country's interest could be long deferred.

"Those of us who have had extensive experience in public affairs know full well that there are very few indispensable men. Happily for the continuity of government, there appears from time to time a man of outstanding ability whose service in one post of responsibility gives him exceptional qualification to discharge other duties of equal moment in a quite different field of activity. You are the exemplification of the type of public servant I have in mind.

"As Chief of Staff of the United States Army you were the guide and counselor of two Commanders in Chief. You brought to the performance of your task abilities and qualifications which inspired the armies of the democratic nations to victory in a war unparalleled in magnitude and in the vastness of the issues involved."

I have said it many a time—as an interpolation—that I think General Marshall is the outstanding man of that war period.

[*Continuing reading*] "When the great office of Secretary of State became vacant it seemed to me fortunate that you were available for the position, although you had richly earned retirement. As it turned out, your previous training and experience were a preparation for the onerous duties which befell you in directing our foreign affairs—particularly in the formulation and execution of the Marshall Plan.

"I had hoped that with medical treatment and rest and recuperation you could continue in office. I am, however, unwilling to assume the responsibility of further jeopardizing your health. I accept, therefore, effective on January 20, 1949, your resignation as Secretary of State. In taking this action reluctantly and with deep regret, I heartily reciprocate your sentiments of affection and respect. Very sincerely yours." [1]

And I have this letter from Mr. Lovett:

[*Reading*] "For personal reasons with which you are familiar, I respectfully submit my resignation as Under Secretary of State.

"I thank you most sincerely for the confidence you have reposed in me, and for your unfailing consideration and kindness.

"With great respect and deep appreciation, I am."

[*Reading*] "I have received with heartfelt regret your letter of January third. Because of my familiarity with the personal considerations which prompt it, I have no recourse but to comply with its terms and accept your resignation as the Under Secretary of State, effective January 20, 1949.

"In taking this action, I need hardly assure you as you return to private pursuits, that I heartily reciprocate the personal sentiments of friendship and respect which you express.

"You have earned the gratitude of the Nation for outstanding service. As Special Assistant to the Secretary of War and as Assistant Secretary of War for Air, you had gained invaluable experience before I called you to assume the intricate responsibilities of the Office of the Under Secretary of State.

"The country has been fortunate in having the benefit of your expert abilities in peace as well as in war. You have been guided and inspired through all of your varied service by the highest intellectual integrity, and you have brought to each task untiring industry, outstanding ability, and selfless devotion to the public interest.

"Although you must now relinquish public office, I shall like to think that we can call upon you from time to time for the advice and counsel which you can give out of your rich experience. With every good wish, very sincerely yours." [2]

Q. Mr. President, in your interpolation, did you say General Marshall is the outstanding man of the World War II period?

THE PRESIDENT. In my opinion I said General Marshall is the outstanding man of World War II.

Q. Mr. President, what prompted your selection of Mr. Webb for Under Secretary?

THE PRESIDENT. Because he is a good man, and a good administrator; and that is what we need in that position. Mr. Lovett was that sort of man.

Q. Mr. President, may we quote that interpolation?

THE PRESIDENT. Yes.

[2.] Q. Does your selection of Dean Acheson presage any change or formulation along the lines indicated by Jay Franklin in Life magazine?

THE PRESIDENT. It does not. And that

[1] General Marshall served as Secretary of State from January 7, 1947, through January 20, 1949, and as Chief of Staff of the United States Army from September 1, 1939, through November 20, 1945.

[2] Mr. Lovett served as Under Secretary of State from May 28, 1947, through January 20, 1949.

article to which you refer [3] is absolutely without foundation in fact, in nearly every instance, in every paragraph; and that's all I have to say about it. [*Laughter*]

Q. In almost every instance—did you say in nearly every instance?

THE PRESIDENT. I said in nearly every instance, and in every paragraph.

Q. Mr. President, did you have any personal association with Mr. Franklin?

THE PRESIDENT. Mr. Franklin was one of the assistants in preparing speeches during the campaign, but I never had one private interview with him at all, on any subject.

[3.] Q. Mr. President, could you say anything on the speculation that there has been a Forrestal-Marshall-Lovett foreign policy as distinguished from a Truman foreign policy?

THE PRESIDENT. I understand that you are now quoting Mr. Franklin, and I told you awhile ago that was without foundation in fact. The foreign policy has been inaugurated by the President of the United States, and carried out by the Secretary of State, and nobody else. And he has carried out the foreign policy that I stand behind, as I said to him in my letter, and as he said to me. I think that's about as clear as I can make it.

Q. Mr. President, did Mr. Franklin do a better job for you than he did in the Life article?

THE PRESIDENT. I can't answer that question, for I don't know.

Q. Mr. President, did you say you had never had any private conferences with him?

THE PRESIDENT. No, I never had a private conference with him in his life. He has been in here to see me about a job, a time or two, that's about all.

Q. By the way, who put him on, do you know?

THE PRESIDENT. I don't know. Some of the staff called him in for consultations.

Q. Was he authorized, Mr. President, in that capacity, to have access to any inside information?

THE PRESIDENT. None whatever. He never saw a top secret message since I have been President.

Q. Did he ever write any of the campaign speeches?

THE PRESIDENT. I don't know. I can't answer that question.

[4.] Q. Mr. President, to go to another subject, could you enlarge your recommendations in the State of the Union Message, that the Government might find it necessary to construct manufacturing plants to make up for material in short supply?

THE PRESIDENT. I think that if you will read that section 8, that was a recommendation for a study of the situation, and if it was found that there was a shortage not only of steel but in other lines, the Government should prepare to make loans for the purpose of overcoming that shortage, and that then, if private industry didn't feel like going ahead with it, recommendations would be made that the Government itself do it.

Q. Well, it was a progressive matter——

THE PRESIDENT. That's right.

Q. —— being prepared for study?

THE PRESIDENT. If you read that section very carefully, it's very clear.

Q. Will the first legislative step on that be the study or authorization for the loan?

THE PRESIDENT. I can't—I don't know what the first legislative step will be. I made that recommendation to the Congress. It is up to them to decide on how they want to proceed.

Q. Mr. President, did you have in mind that after the Government had built the

[3] "Inside Strategy of the Campaign: One of the advisory board tells how Truman felt, acted and planned during his winning drive," by Jay Franklin, pen name of John Franklin Carter. Life magazine, November 15, 1948.

plants that would be leased to people who were willing to make steel, or the Government would make the steel?

THE PRESIDENT. It has been customary all during the war—if you remember, the Defense Plant Corporation built $20 million worth of plants, most of them integrated with private industry plants.

Q. Are you thinking this will be in terms of civilian consumption, or for future national security purposes?

THE PRESIDENT. I am thinking of the shortage of steel in civilian consumption, right now. That is the bottleneck, and the reason we can't get most of the goods that we want.

[5.] Q. Mr. President, do you still favor the excess profits tax?

THE PRESIDENT. I made it very clear in my message what I favor for tax purposes. That is up to the Congress, anyway. Tax matters must originate in the House of Representatives.

Q. Mr. President, in your previous message to Congress, though, you specifically asked for an excess profits tax?

THE PRESIDENT. That is correct. I did ask for it.

Q. This time you did not?

THE PRESIDENT. The message speaks for itself.

[6.] Q. Is it your belief that the steel and power industries are deliberately refraining from necessary expansion?

THE PRESIDENT. I wouldn't say so. I think they are not expanding as much as they should.

Q. Why, Mr. President?

THE PRESIDENT. I can't answer that question. You had better talk to the head of the steel industry. It's maybe something like the aluminum industry was. I remember having a hearing, when I was chairman of a certain committee in the Senate, and I recall the Aluminum Company of North America informed me that 300 million pounds was all that the country or the world would use, as far as their company was concerned. We finally succeeded in getting the industry to expand, so that they are now making 3,600 million pounds of aluminum a year, and we are still short.

[7.] Q. Mr. President, in your previous State of the Union Message you have asked for statehood for Hawaii and Alaska. Have you changed your mind?

THE PRESIDENT. No, I have not. I asked for it in this message, by implication. I told you that in my message on civil rights,[4] which was implemented as a part of this message, and Alaska and Hawaii are both part of that message.

[8.] Q. Mr. President, there seems to be two schools of thought as to exactly what is meant in the change in the Federal labor laws, whether the President favors what they term the "single package deal," or whether he favors the repeal, first, of the Taft-Hartley law?

THE PRESIDENT. I made my position perfectly clear in the message, and the whole legislative end of the thing is with the Congress. I don't write legislation. I only approve it, or disapprove it. I answered your question, and made it perfectly clear in the message exactly what I want. Just read the message.

Reporter: Thank you, Mr. President.

NOTE: President Truman's one hundred and sixty-third news conference was held in his office at the White House at 10:35 a.m. on Friday, January 7, 1949.

[4] See 1948 volume, this series, Item 20.

5 Special Message to the Congress: The President's Economic Report. *January 7, 1949*

To the Congress of the United States:

The people of the United States have just enjoyed another year of bountiful prosperity. This has enabled us further to strengthen our economy at home, and further to supplement the recovery of freedom-loving peoples elsewhere who seek lasting peace.

The resourcefulness of American business, the skill of our labor force, and the productivity of our agriculture have lifted our standards of living beyond any prewar expectation. We have achieved these blessings through the happy combination of our free institutions, our system of private enterprise upon which we primarily rely for economic results, our vigorous Government, and the mutual respect and trust that we all hold for one another. My pledge to all elements in our economic system is that their Government will continue to steer a course guided by full recognition of these values. Toward this end, I ask of all the cooperation and confidence upon which our way of life depends.

Let us all remember that our unparalleled prosperity has not been maintained by chance, and that we can lose it if we leave the future to chance. Courageous and positive action has contributed to our progress, and some of the most serious difficulties still confronting us exist because our thought and action have not been sufficiently clear and vigorous.

As we work together in 1949 to combat the remaining dangers of postwar inflation, we should bear always in mind that our purpose is at the same time to build strong bulwarks against deflation and depression, and thus to consolidate our past gains and move forward to new levels of sustained prosperity for all.

This third annual Economic Report, under the Employment Act of 1946, affords not only the President but also the Congress and the whole country still another occasion to look to our current economic position, to draw courage from our progress, and to benefit by our mistakes. Now is the time to formulate and execute a practical program of immediate and long-range economic measures pointed toward stability and growth.

Sources of Our Economic Strength

The year just ended has tested the strength of our economy, and challenged our ability and willingness to act to protect our prosperity. When 1948 opened, the inflation which had attained threatening proportions in the preceding months was continuing unchecked. Prices were rising everywhere. They brought higher but uneasy profits to business firms. They squeezed the family budget of workers, who in turn sought to press wages upward as the cost of living advanced. The rising spiral created more and more maladjustment among prices, wages, and other incomes.

Early in 1948, a sharp break in grain prices spread concern throughout the economy. Commodity speculation, fed by a world demand of unprecedented magnitude and intensified by our own short corn crop, had carried the prices of wheat and corn to levels which could not be sustained. The market structure collapsed of its own weight. On February 13, the price of cash wheat was 25 percent or 74 cents a bushel lower than it had been a month earlier.

But this break did not set off a train of consequences similar to those which, following World War I, had turned the boom

into a deflation of unusual depth and rapidity in 1920–1922. In 1948, the decline of the speculative grain market did not bring unemployment, cutbacks in production, general unloading of inventories, or abandonment of plans for capital investment. Our economy showed strength sufficient to withstand shock of a kind which had ended earlier inflations with collapse.

The reasons for this were not just that we were luckier in 1948 than we had been in 1920. Affirmative national policies and greater caution in the business community combined with other developments to make the economy more shock-resistant. The farm price support program guaranteed that the collapse of grain prices would not go far enough to impoverish the farmers, to curtail the farmers' demand for the products of industry, or to bring about a chain reaction of price breaks in other markets. As the price drop was localized, it did not cause cancellation of the buying and investment plans of businessmen and consumers.

Nor was the farm price support policy the only source of our strength. Our whole financial and banking structure was stronger and more resilient than in the early twenties. Our businessmen, having become better informed, were more prudent. Our working groups were better supplied with current income and accumulated savings. Our social security and related policies added to the feeling of stability. The Government had so employed a large budget surplus as to prevent the inflation from becoming as hectic as it otherwise would have been; and such policies served to moderate the extent of the reaction. This combination of private and Government action helped us to avoid serious trouble last year, although it was not effective enough to terminate the inflationary trend which was soon augmented by the defense program and by the reduction in taxes. Nor did we develop an adequate protective program against hurtful deflation in the future. We must now look to an improved combination of basic private action and supplementary government action to develop still better remedies and safeguards.

Our escape from the danger of a general recession in the spring of 1948 does not mean that no further dangers will appear, or that we can wait until they descend upon us in full force before taking wise preventive measures. We have been granted a breathing spell, but we have not been granted lasting prosperity without further effort and vigilance. So long as the rising course of incomes and activity continues, there will be in operation many of the forces which have been responsible for the long-sustained advance of prices. There are a few sectors of our economy where dangerous inflationary forces continue to be predominant. For example, the shortages of steel and electric power, and the steadily mounting costs of public utility services, add further to the higher costs of production which up to now have been rather readily passed on to the consuming public.

The recent appearance of wider areas in the economy where supply conditions have improved, where the pressure of demand has been reduced, and where price inflation has been halted or reversed, should be looked upon as a desirable development to be welcomed rather than feared. It marks the beginning of the process by which a more stable condition can be reached after a long period of rising prices. But these adjustments have not proceeded far enough to justify a cessation of concern about inflation. Besides, a sharp and uneven adjustment of prices downward may cause dislocations quite as serious as the sharp and uneven movement of prices upward. Since both factors may be at work in different parts of

the economy at the same time or in rapid sequence, we need to have available a range of governmental measures which can be applied as brake or as accelerator according to the need.

While the prosperity of the postwar years has been great, it has rested in considerable part on somewhat temporary factors which were the aftermath of war. In 1949, we are entering a period of harder tests. The momentum of war-created demand and war-created purchasing power has waned, and we must now rely more fully on currently generated purchasing power to absorb a full output of goods and services. We must be more than ever on the alert, to make sure that withdrawal or lessening of temporary demand factors is not accompanied by a reduction of productive activity and the mounting unemployment to which this would lead.

I believe that prosperity can be continued and that, with proper action, the prospective volume of business investment, consumer spending, and governmental transactions should promote ample employment opportunities for the coming year. But many adjustments in price and income relations need to be made, and these must flow mainly from the wise action of the leaders in our enterprise economy. These leaders should draw sustaining confidence from the fact that it is the policy of the Government under the Employment Act of 1946 to use all its resources to avoid depression and to maintain continuous prosperity.

These favorable prospects will not be realized automatically. The strength of our economy, the strength of our great Nation, depends upon our capacity and willingness to adopt the salutary policies which are required by changing circumstances and to put them into effect.

In this Economic Report, drawing upon the more detailed information and analysis furnished to me by the Annual Economic Review of the Council of Economic Advisers (transmitted to the Congress herewith), I shall first cover the high points in the current and prospective economic situation, and then propose both policy guides and a program to deal with the situation as I evaluate it.

High Points in the Economic Situation

Employment in 1948 ranged from 57 to nearly 62 million civilian workers and averaged more than 59 million. This included over a million workers who were added to the labor force. Unemployment remained at the low level of around 2 million.

Production for the economy as a whole was between 3 and 4 percent higher than in 1947. With bumper crops, agricultural output increased about 9 percent. Industrial output increased 3 percent, while employment in the service businesses rose 3 percent and in government 4 percent.

Prices ceased the broad upward movement which had persisted with few interruptions ever since the removal of price controls. The trends of prices became more irregular and more selective. Metals and metal products, building materials, fuel and lighting materials, and most durable goods moved upward, while some other groups weakened, with farm products leading the decline. Lower food prices brought the consumer price index down a little in the late months of the year, although other components of the index continued to rise throughout most of the year.

This halt in the upward march of prices has been a welcome sign in the battle against inflation. I hope that it proves more enduring than similar pauses during the past two years. But the sharply divergent movements of prices—both up and down—confront us

with urgent problems of adjustment to sustain maximum employment and production throughout the economy.

Wages went up during 1948, but there was considerable disparity in the increases obtained by workers in different lines. While some groups managed to keep ahead of rising living costs, others fell behind.

Work stoppages in 1948 were at about the same level as in 1947. In most industries, settlements were obtained without prolonged negotiations or strikes. Nevertheless, considerable loss of production resulted directly and indirectly from strikes, especially in coal mining and in east coast and west coast shipping and trucking.

Profits in 1948 again surpassed all previous records and were rising throughout the year. Corporate profits after taxes amounted to about 21 billion dollars, contrasted with a record level of about 18 billion dollars in 1947. With sales booming, the ratio of profits to sales was again maintained at around 5 percent after taxes. As I pointed out a year ago, such profits are in excess of the levels needed to furnish incentives and equity funds for industrial expansion and to promote sustained economic health, although some businesses have not thrived nearly so well as others.

The supply of money and credit, which increased enormously during the war, continued to expand thereafter. During 1948, however, partly as a result of restrictive actions adopted by governmental authorities and voluntary restraints observed by banks, and partly because of a decline in the demand for short-term capital, the expansion of bank credit was substantially slowed. A large Government surplus used to retire bank-held debt, together with the slackened growth of credit, resulted in a slight decrease in the amount of privately held bank deposits and currency. While bank loan expansion was less in 1948 than in 1947, this was in good part offset by increased lending by other financial institutions.

Credit expansion has been an important element in the process of inflation. In the first months of 1948, it was offset by the large Treasury surplus. When that surplus disappeared, the Government did not have authority to take other action which would effectively restrain inflationary expansion of bank credit and at the same time assure the maintenance of an orderly market for the vast public debt.

Consumer income in 1948 increased per capita about in proportion to the increase in consumer prices, which meant that consumers had no appreciable gain in real incomes despite an increase of 3 to 4 percent in total national output. Income from most major sources was greater than in 1947. But in the latter half of 1948, income from farming fell relative to the normal seasonal pattern and that from other unincorporated business and from rents ceased to rise, while that from dividend payments increased sharply. Income distribution is less unequal than it was in prewar years, but this improvement has probably been halted as a result of inflation and of changes in income taxes in 1948.

Consumption expenditure went up less than income in 1948. While personal saving increased, this was not reflected in the rate at which people accumulated liquid assets—currency and bank deposits, insurance policies, and securities. A larger proportion of saving was invested in housing, unincorporated businesses, and farms.

Business investment continued at a high level throughout 1948. Plant and equipment outlays by businesses other than farms totaled about 19 billion dollars, slightly above the level reached in the latter half of 1947, although with higher costs the physical volume of such investment was not quite

maintained. Expansion to catch up with postwar demands appeared to be nearing completion in some lines, but substantial further increases in capacity are planned in a number of industries—chemicals, petroleum, metals, utilities, and transportation. Even where expansion goals have been met, modernization to reduce costs and improve products should continue to require substantial investment, though at a rate of growth lower than that of the past two years.

Inventories of nonfarm businesses likewise continued to increase in value throughout the year, the increase amounting to about 7 billion dollars. Of this amount, 4 billion was accounted for by price increases. Restocking after wartime shortages appears to have been virtually completed except for metals and some building materials.

Corporate financing of investment in plant and equipment, inventories, and customer credit required 26 billion dollars in 1948, 2 billion less than in 1947, but that part of new investment which went into plant and equipment increased. Of the total, 65 percent was internally financed. For the part externally financed, bonds were a more important source, and bank loans and stock issues less important sources, than in 1947. While stock market financing has been less important during the postwar years than in the late 1920's, this has been offset by greater retained earnings so that equity-debt ratios are generally more favorable now than in the last two decades.

The housing supply was increased by well over a million residential units during 1948. But since last May the number of new housing starts has been falling off rapidly. This does not mean that the housing shortage has been overcome. Rather it means, as I have pointed out in previous reports, that the construction industry has been pricing itself out of the market for all but expensive homes. A continued decline in home building would constitute a threat, not only to the improvement of living standards for millions of low-income families who are still inadequately housed, but also to the maintenance of maximum employment over the years.

The housing shortage is one that calls for prompt and bold action by Government and by industry—action by Government that will produce low-rent public housing, slum clearance, and rural housing for families of low incomes; action by industry to reduce costs so that decent homes can be built at prices that wage earners with moderate incomes can afford.

The major portion of the housing job must be done by private industry. Here the bottleneck is cost. At this time of national stock-taking I urge all elements of the building industry substantially to lower costs so that housing production may reach new record levels. The present decline in housing starts points up the danger that inflated building costs can bring down upon the industry. If housing costs are lowered and the consumer gets better value, builders will be able to continue to build in volume and the building industry need not fear a continued downward trend.

Municipalities can perform a major role in reducing costs by modernizing their obsolete building codes, which add to costs unnecessarily.

The surplus of exports of goods and services in 1948 was substantially less than in 1947, being 6 billion dollars compared with 11 billion. This reflected in part an increase in imports, a necessary development for placing our international transactions on a sustainable basis. It reflected even more a decrease in exports, because foreign purchasers lacked dollars with which to buy from us, and because of increased supplies

of needed goods produced abroad. The impact of this decline has been selective. Foreign countries have continued to buy products which they consider essential, like wheat, petroleum, agricultural and industrial machinery, and chemicals. Other items have been cut very drastically.

As shipments under the European Recovery Program continue to expand, some increase in the level of exports can be anticipated. For certain products, especially those for which the domestic market is tight, countries are being authorized to use European Recovery Program funds for purchases outside the United States. This will not reduce total export demand, since the sellers of such goods will generally spend here the dollars they receive. However, the expansion of exports under this program will, it is hoped, be offset in part by further increases in imports.

Government fiscal transactions were again a strong anti-inflationary factor in the early part of 1948, due to the excess of receipts over expenditures. But this factor declined substantially during the year. Federal receipts from the public exceeded cash payments by about 6 billion dollars in the calendar year 1947. Measured after adjustment for seasonal factors, the excess ran at an annual rate of 12.5 billion dollars in the first half of 1948, and only at a rate of 4 billion dollars in the second half. One of the main supports of an anti-inflation policy is a large Treasury surplus. As a result of the tax reduction of last year and the necessary increase in Government expenditures, this powerful weapon is not now available. Tax receipts, it is true, have been rising but this has been largely due to the inflationary rise in incomes, profits, and pay rolls. This inflationary rise, in turn, was aggravated by the effects of the tax reduction. Rising expenditures of State and local governments are expected to add to deficits in 1949, and these deficits increase the general inflationary pressure.

In the *Nation's Economic Budget*, retained earnings of business and business investments showed the largest percentage increase from 1947 to 1948. Among the other components, consumer incomes and expenditures increased less, government payments rose only moderately, and net foreign investment declined substantially. Expectations of continued inflation have added to the incentives for business investment, while the price rise has acted as a brake on the demand of consumers with relatively fixed incomes. The proportion of consumer expenditures in the total national product has never been lower in any peacetime year for which statistics are available. This is not an immediate problem so long as the sum of government expenditures, business expenditures, and net foreign investment is still rising. It could become a critical problem as these other factors begin to turn down or even to assume a declining relative importance in a constantly growing total economy. This situation calls for a vigorous anti-inflation program now, while at the same time we must pursue those policies of adjustment and expansion which will be needed to promote balanced economic growth over the years.

Guides to Economic Policy

As we turn from consideration of the facts of our economic situation to a program of action, there are several broad principles which I believe should guide us. These principles should help us to keep clearly in mind where we want to go and how certain roads rather than others are the surest and quickest way of getting there.

First. We should remember that the goal we seek is the greatest prosperity for the

whole country and not the special gain of any particular group. That is why the Employment Act of 1946 calls upon the President to present an economic program aimed at continuous "maximum employment, production, and purchasing power." I firmly believe that this goal is attainable.

Maximum employment for 1949 means that nearly 1 million additional job opportunities should be provided for the growing labor force. Maximum production means that our increased labor force and modernized plant should strive for a 3 to 4 percent increase in total output. Maximum purchasing power means that the sum total of market demand by government, business, and consumers, domestic and foreign, should be proportionate to our productive capacity. It must not be more or we shall suffer inflation. It must not be less or we shall suffer unemployment and under-utilization of our resources.

Second. We should think and work with a reasonably long look ahead, not keeping our eyes just on the problems of the moment. Our immediate tasks must be placed in the perspective of our long-range national objectives. While we must deal promptly with the problem of inflation, we must not unduly hold back undertakings that are needed to preserve and develop our employment opportunities and our productivity in later years. Policies needed to develop our resources and to prevent depression in the long run must be reconciled with policies needed to curb inflation in the short run.

We must pursue affirmative programs for housing and health, for education and resource development. Yet the fight against inflation prevents us from undertaking these long-range programs with the speed and on a scale that would otherwise be desirable. In the recommendations made in this Economic Report and in the Budget which will be transmitted to the Congress in a few days, I have sought to reconcile these objectives in a way that strikes the safest balance.

Third. In order to have a yardstick for appraising strength and weaknesses in our economy and the adequacy of Government programs, we need concrete objectives for economic growth, and particularly standards for a better balance between production and consumption, income and investment, and prices, profits, and wages which will be conducive to sustained economic progress. In the Annual Economic Review of the Council of Economic Advisers, transmitted herewith, there is a detailed treatment of our growth possibilities over the next few years. This shows how our employment, our output, and our standards of living can rise if we encourage and place major reliance upon our free enterprise system, conserve and develop our natural and human resources, retain our faith in responsible Government, and do not relax our efforts.

This study by the Council of Economic Advisers shows that action is now needed on the long range programs which I set forth in the concluding section of this Economic Report.

Fourth. We are dedicated to the principle that economic stability and economic justice are compatible ends. The fact that our total purchasing power is now at record levels cannot blind us to the equally important fact that the incomes of many people have not risen apace with the cost of living and that they have become the victims of inflation. A prosperity that is too uneven in the distribution of its fruits cannot last.

Fifth. We must fulfill the requirements of our essential programs—national defense, international reconstruction, and domestic improvements and welfare—even if doing so may require the temporary exercise of selective controls in our economy. We

want the greatest amount of economic freedom that is consistent with the security and welfare of the people; but we do not want to sacrifice that security and welfare because of narrow and selfish concepts as to the acceptable limits of government action. If we could have the amount of national defense that we need, make the contribution to international reconstruction to which we are committed, and at the same time maintain and expand our standards of living now and in the future without any kind of selective controls over the economy, that would be most highly desirable. And it is possible that we may not, in fact, be forced to use such controls. But we would rather have these relatively unpleasant restrictions on our freedom of action for a while than imperil our security or allow our human and material resources to deteriorate.

Sixth. The vigorous commitment by the Government to an anti-inflation policy should not obscure the fact that the Government is equally committed to an anti-depression policy. In fact, curbing inflation is the first step toward preventing depression. And in times like the present, when the economic situation has mixed elements, the Government needs both anti-inflationary weapons and anti-deflationary weapons so that it will be ready for either contingency. It may even be necessary to employ both types of measures concurrently in some combination, for some prices or incomes could rise too rapidly while others could be falling dangerously. The same dictates of prudent policy which call for higher taxes in a period of inflation would call for tax adjustments designed to counteract any serious recessionary movement.

Legislative Recommendations

With these principles as a guide, I turn now to the recommendations which I am presenting to a new Congress invested by the American people with enormous responsibility for their welfare and security. We are pledged to prompt action when needed. We must not wait to act only in the eleventh hour of crisis. Moderate measures, taken in time, can save us from drastic action later on.

I. POLICIES TO COMBAT INFLATION AND TO PROMOTE PRODUCTION IN CERTAIN INDUSTRIES

Fiscal policy

It is essential to sound fiscal policy to have a budget surplus now. This is our most effective weapon against inflation. It will enable us to reduce our debt now; it would be much more difficult to do so in less prosperous times.

I recommend legislation to increase the Government revenue from taxation by 4 billion dollars a year. The principal source of additional revenue should be additional taxes upon corporate profits, which can be applied without unduly interfering with prospects for continued business expansion and with assurance that profits, after taxes and dividends, will be sufficient for investments and contingencies.

Another source of additional revenue should be the tax upon estates and gifts. The already small yield from this tax was reduced by one-third by the Revenue Act of 1948. Careful study should also be directed to the increase of rates of individual income taxes in the upper and middle brackets. Some additional excise taxes may be desirable, but some excise taxes, particularly on oleomargarine, should be repealed.

I also recommend an increase in social security contributions under existing and extended social insurance programs. This would exert an anti-inflation effect in addition to that of the 4 billion dollar increase

in taxes which I have recommended above.

The national tax policy should be flexible and should be promptly adjusted to the changing needs of business and consumers in the course of evolving economic events.

Increased taxation is only one of the means by which we can accumulate a budget surplus. The other is a careful limitation of Federal expenditures. It is essential that our fiscal policy under present circumstances contemplate not only a surplus of revenues over expenditures, but also a surplus achieved at the lowest level of expenditures which is consistent with our needs. The implications of this policy requirement will be discussed at length in my Budget Message.

Debt management

The public debt will continue to be managed in a manner that will make a maximum contribution to the stability of the economy. An important factor in this program will continue to be the maintenance of stability in the Government bond market.

Such stability in the Government bond market has been a most significant element in the smooth reconversion from a wartime economy to a civilian peacetime economy. It contributes to the underlying strength of the financial structure of the country. It engenders business confidence. It has made it easier for business and industry to obtain the capital funds necessary for their reconversion and expansion projects.

The stability of the Government bond market was maintained throughout 1948 by the joint effort of the Treasury Department and the Federal Reserve System. Despite the necessity for market support at times during the year, there was only moderate increase in the total Government security holdings of the System as a result of the support program. There were occasions, however, when the bond price support policy proved its value in stabilizing the market and the need for continuance of the policy was demonstrated.

Only during the last few years have we had experience in dealing with the problems of managing a public debt of the size the country now bears. The policy of supporting the price of long-term Government bonds at the 2½ percent yield level has been eminently successful.

Through its vigorous promotion of savings bond sales during the year, the Treasury has placed a large volume of bonds in the hands of individuals, who have thereby aided in the battle against inflation by adding to their savings. The most gratifying aspect of this situation is that the amount of Series E bonds outstanding was brought to the new high level of 32 billion dollars, and that this was accomplished with the cooperation of the banks of the country, thousands of business firms and their employees, and an army of patriotic volunteer workers.

Credit policy

On previous occasions I have recommended that adequate means be provided in order that monetary authorities may at all times be in a position to carry out their traditional function of exerting effective restraint upon excessive credit expansion in an inflationary period and conversely of easing credit conditions in a time of deflationary pressures. The temporary authority to increase reserve requirements of member banks of the Federal Reserve System, granted by the Congress last August, will expire on June 30, 1949. The expiration of this authority without further action of the Congress would automatically release a substantial volume of bank reserves irrespective of credit needs at the time. The Congress should promptly provide continuing authority to the Board of Governors of the Federal

Reserve System to require banks to hold supplemental reserves up to the limits requested last August, 10 percent against demand deposits and 4 percent against time deposits. This authority to the Board of Governors should not be confined to member banks of the Federal Reserve System but should be applicable to all banks insured by the Federal Deposit Insurance Corporation.

Authority for the regulation of consumer installment credit, which likewise expires under present law on June 30, 1949, should be continued in order to exert a stabilizing influence on the economy.

Promotion of supply and production

There are shortages of supply in certain critical areas which are so serious as to impede maximum production in an expanding economy and to limit programs related to national security.

I recommend immediate legislation to deal with this problem of capacity and supply. It should impose upon the Government the specific responsibility and provide the funds to make careful surveys of future supply needs and productive capacity. It should further require that these specific studies be correlated with the general requirements of an economy operating at maximum employment, production, and purchasing power. To the extent that facts reveal the need, it should provide additional authority to deal more effectively with inadequacy of capacity and supply.

Allocation powers

In my Economic Report of last year, I stressed the need for the supplementation of voluntary action with mandatory controls over key materials in short supply. The need for mandatory controls still exists. I propose the temporary extension of the law under which voluntary agreements are now permitted. However, there is grave danger that the problems of acute shortage cannot be adequately met by voluntary agreements. I therefore recommend that the use of mandatory allocation powers be authorized so that they may be employed on a selective basis without delay where they prove to be needed.

I also recommend that the Congress continue the priorities and allocation authority in the field of railroad transportation.

Selective price and related wage controls

I recommend that selective price control authority should promptly be made available to the Government. My reasons for this have repeatedly been set before the Congress and the country. I have not earlier and do not now propose general or over-all price control of the wartime variety. But we are still in a situation where the prices of certain critical materials or commodities of vital industrial or consumer importance are moving upward for the third consecutive year or longer. Sharp rises in the prices of essential products may be harmful to the economy even when the general price level is fairly stable. Further, we cannot be certain that another upsurge of general inflation will not reappear this year under the composite pressures which are at work throughout the economy.

Legislation to authorize selective price control should encourage voluntary adjustments without the actual imposition of price control. It is in this spirit that I would administer the authority. But I am firmly convinced that such voluntary efforts, which have been tried with partial but insufficient results since the middle of 1946, cannot meet the problem unless the Government possesses the authority to act firmly. With such authority available, however, its actual application might not be required. It should be

supplemented with a provision permitting the Government to order the withholding of price advances for a reasonable period while public inquiry into their justification is being made.

In my message to the special session of the Congress in July 1948, I said: "Where the Government imposes a price ceiling, wage adjustments which can be absorbed within the price ceiling should not be interfered with by the Government. The Government should have the authority, however, to limit wage adjustments which would force a break in a price ceiling, except where wage adjustments are essential to remedy hardship, to correct inequities, or to prevent an actual lowering of living standards." I then stated my belief, which I still firmly hold, that wage increases based upon productivity and designed to provide a rising standard of living embody the American way. The facts show some current situations where non-inflationary wage increases can be granted by employers without price increases. I firmly believe that the normal processes of collective bargaining will result in sound wage adjustments without the actual application of any governmental authority related to wages if business and Government make genuine efforts to hold down excessive prices and profits and to reduce the cost of living.

Rent control

The present housing shortage makes it necessary to continue rent control for at least two years, and to strengthen its enforcement. I recommend that this be done.

Even if the most optimistic interpretation is placed upon the slight reduction in the cost of living in recent months, it would be unwise to lift living costs again by rent increases even larger than the moderate ones taking place under the present system of control. Such a course would inflict further hardship upon the families who have already been the prime victims of inflation, and would make it harder to exercise moderation in wage demands.

Export controls

In view of the large volume of exports required to carry out our program of aiding economic reconstruction abroad, it is essential that those exports be controlled, both to minimize their adverse impact on the domestic economy and to make them most fully conformable to our foreign policies. I therefore recommend that the existing powers of control over exports be extended, and that the machinery for enforcement be strengthened.

Commodity exchanges

Excessive speculation in grains, cotton, and other agricultural commodities results in wide and harmful fluctuations in prices. The experience in the fall of 1947, and in the winter and spring of 1948, demonstrated the need for more effective governmental supervision over speculative trading on the commodity exchanges. I recommend that the Congress grant more specific and more adequate authority to prevent excessive speculation or the manipulation of prices.

2. POLICIES TO PROTECT THE VICTIMS OF INFLATION

While we are fighting further inflation, we should recognize that severe hardship has already been imposed on those whose incomes have lagged far behind the increase in the cost of living. Whatever is feasible to alleviate this hardship should be accomplished without delay. I recommend specifically:

That the benefits under the old-age and

survivors insurance be substantially increased in order to bring them in line with the increase in the cost of living;

That the coverage of the Fair Labor Standards Act be broadened and the minimum wage increased from the present 40 cents an hour—a figure determined in 1938—to at least 75 cents an hour. It should be permissible to provide higher minima by tripartite action of employers, unions, and the Government on an industry basis;

That the public assistance program for relief be improved to meet the basic human needs of the less fortunate.

The housing program which I recommend will make a start toward providing decent housing for those whose low incomes confine them to slums in these days of grossly inflated housing prices.

3. POLICIES TO PROMOTE BALANCED ECONOMIC GROWTH

While alleviating the hardships of inflation and overcoming maladjustments which threaten our future prosperity, we must continue to develop our resources for healthy growth. We should press forward at once with some programs of high priority needed now to conserve and increase the strength of our Nation. In addition, we should be prepared with fully formulated plans for others. We cannot accept the dangerous idea that inflation's end will automatically bring about a period of stable prosperity. The continuing need for prudence in Government expenditures must not be translated into false economy.

Natural resources

The Federal Government has an important role in the development of our natural resources which is essential to the achievement of programs to relieve shortages which threaten economic development. These shortages include many of our most essential minerals and metals, our energy resources, especially electric power and oil, and some chemicals and fertilizers.

Present shortages of electric power in many areas are not temporary; our long-range needs require enormous expansion of existing capacity. It is essential that public power programs be expanded this year, even where this requires use of scarce materials for construction of dams and generators. Such expansion should include the construction of transmission lines where needed. A start on the St. Lawrence River waterway and power project should be made immediately. The programs in the important river basins should be examined and prompt action taken where needed to provide improved coordinated development plans.

Agriculture

With certain abnormal postwar demands for farm products diminishing, problems of adjustment to longer-range conditions are becoming more pressing. We need to fit a prosperous and equitably treated agriculture consistently into an economy seeking to operate continuously at maximum levels of employment, production, and purchasing power.

We must make sure that our long-range price-support legislation moves toward the goal of farm living standards comparable to those of the rest of the population. We need farm production even more abundant than we have yet attained to supply the industrial and consumer needs of a full employment economy. But at the same time, we need measures to encourage shifts in the composition of farm output realistically adjusted to our domestic and export needs. We should supplement such measures with others, including the provision of adequate

storage facilities, the improvement of distribution, and adequate credit facilities.

Even with farm production and national income at their present high levels, many families lack adequate diets. We should assure maintenance in the future of a level of consumption consistent with real food needs. This will help to stabilize domestic markets for farm products.

To stabilize foreign markets, consultations are already under way toward preparing a new International Wheat Agreement.

I urge the Congress to reexamine existing and proposed farm legislation in the light of all these objectives.

International economic relations

The European Recovery Program is designed to further world recovery and reconstruction. It must be continued. Its success will facilitate a return to reasonable freedom of world trade. The proposed Charter of the International Trade Organization, which was signed by 54 nations last year, lays the foundation for this return.

The present inadequate authority for the conclusion of reciprocal trade agreements expires June 30, 1949. I urge that immediate action be taken to restore the Trade Agreements Act to full effectiveness and to extend it for three years.

Housing

The steady decline in new housing starts since last May adds fresh evidence of the need for housing legislation. I again recommend immediate passage of the unenacted portions of the comprehensive housing bill; and the need has now become so great that its meager quota of 500,000 units of low-rent housing over 5 years should be increased to provide for 1,000,000 units within 7 years.

If we are to achieve levels of housing production adequate to our needs, construction materials in the necessary volume must be available continuously and in balanced proportions. If it proves necessary, I shall not hesitate to use the allocation authority, which I have requested, to channel such materials into home building.

Urban redevelopment and community facilities

The comprehensive housing bill includes substantial Federal aid to the States and localities to enable them to make more rapid progress in clearing slums and in assembling land for balanced redevelopment. Such action can be taken now without adding significantly to inflationary pressures, and it is an essential basis for future progress.

While the Annual Economic Review of the Council of Economic Advisers this year does not deal at length with programs, such as education, health, and social security, which are directed toward the improvement of our human resources, my Economic Report last January stressed the intimate connection between the conservation and improvement of these resources and the prosperity and productivity of our economy. The Council this year firmly reiterates this principle.

Because the programs flowing from this analysis have not yet been authorized, I submit the following recommendations.

Education

The crisis facing education must be met, and the basis for the continued improvement of our system of education made firm. Only with Federal resources can we meet adequately the increased cost imposed by expanding enrollments and the general rise in expenditures for maintenance and operation. I recommend that a Federal program for aid to elementary and secondary education be

initiated. We should make plans whereby the opportunities for higher education would be expanded through cooperation between the Federal Government and public agencies and private institutions, including a system of general scholarships and fellowships. And a study should be initiated to determine authoritatively our national needs for educational facilities and the most feasible methods of providing them.

Health

The high percentage of rejections under the military recruitment programs has provided striking evidence of the unsatisfactory state of the Nation's health. National health insurance is the only workable way to assure that all individuals have access to the medical care they need. I recommend the enactment of such a program this year. Federal grants in support of hospital construction are an indispensable support to such a program. We also need to augment the number of doctors, dentists, and nurses in order to overcome the present serious national shortage of medical personnel.

Old age, disability, and unemployment insurance

Millions of workers are excluded from the benefits of our old age and unemployment insurance systems. Such exclusion denies to individuals protection to which they are entitled by every consideration of equity. I urge that the coverage of these systems be widened this year and the benefits made more adequate.

Few of our workers enjoy systematic protection against loss of income through temporary or permanent disability. We should inaugurate a system of insurance against such loss.

I have included in this Economic Report only those legislative recommendations which have large significance for maintaining maximum employment, production, and purchasing power and which require the immediate attention of the Congress. There are a number of other important projects on which we should make further progress this year. Our conservation practices in many areas require improvement, including the regulation of timber cutting, the protection of public range lands, and the development of our tidelands oil resources. We should press forward with our programs of basic research and exploration. We should seek continually to encourage the bargaining of labor and management along lines most consistent with national progress and stability.

This is a period in which our ability to master our affairs in our own way will be rigorously tested. Abundant resources and rapidly advancing technology are both a blessing and a responsibility. Our strength lies, however, less in these resources themselves than in our will to use them effectively. This task requires adapting our private and Government institutions to changing circumstances.

We are committed to working out our economic problems in a way that combines economic and social progress with democratic self-responsibility. This is the spirit in which the Employment Act of 1946 was conceived and in which we shall attempt to live up to its high purpose.

HARRY S. TRUMAN

NOTE: The message and the complete report (140 pages) are published in House Document 36 (81st Cong., 1st sess.).

6 Letter to the Chairmen, Senate Finance and House Ways and Means Committees, on Extending the Trade Agreements Act. *January* 8, 1949

My dear Mr. ————:

In my message on the State of the Union I asked the Congress to act promptly to extend the Trade Agreements Act without the hampering restrictions placed on it by the last Congress.

As you know, negotiations will begin in April to extend the benefits of the General Agreement on Tariffs and Trade to thirteen countries that did not participate in the original Agreement. This General Agreement, concluded in the autumn of 1947, is the most important and comprehensive trade agreement in history. Under it, the United States and twenty-two other nations agreed to reduce their tariffs, or to maintain low tariffs or none at all, on a wide variety of products. The products affected accounted in 1938 for over half of the world's international trade. In addition, the participating countries agreed to curb the use of other trade restrictions, such as import quotas, and to limit various kinds of discrimination, such as preferential treatment of imports from one country as against those from another. Never before have so many nations combined in such an intensive effort to reduce barriers to trade.

The extension of the benefits of this Agreement under the authority of the Trade Agreements Act is a practical cooperative effort to remove unnecessary obstacles to the building of a stable and prosperous world. The restrictive provisions and limited extension of the present trade agreements law materially hamper the effectiveness of United States participation in this effort. That is why it is so important that the existing Trade Agreements Act be promptly repealed, and that the Act as it existed on March 1, 1948, be extended for a further substantial period. I suggest that this period be until June 12, 1951.

Unless nations can sell each other the products of their agriculture, labor and industry to the greatest possible extent, there can be no sure foundation for economic peace. Unless world trade is increased, the tremendous investment we are making toward world economic recovery will be largely wasted. Unless trade restrictions are relaxed, the lot of the private trader in international trade will become increasingly difficult.

In the achievement of these objectives, United States leadership and United States action is a decisive influence.

The trade agreements program has proved itself to the people of the United States. It has justly earned their overwhelming support. We must be in a position to press that program forward with vigor.

I know that I can count on your continued support in securing necessary action to this end at the earliest possible date.

Sincerely yours,

HARRY S. TRUMAN

NOTE: This is the text of identical letters addressed to the Honorable Walter F. George, Chairman of the Senate Finance Committee, and the Honorable Robert L. Doughton, Chairman of the House Ways and Means Committee.

For the President's statement upon signing the Trade Agreements Extension Act of 1949, see Item 217.

7 The President's News Conference on the Budget. *January* 8, 1949

THE PRESIDENT. [1.] This Budget is set out in more detail, and the introduction is the most comprehensive one that we have put out since I have been President. I hope every one of you have carefully read the first 71 pages in the large, condensed Budget, and if you have you won't need to ask any questions. That very specifically sets out just exactly what the budget provides, and while there isn't very much to be said in addition to what is said in that 71 pages, so if you ask too many questions, I am going to suggest that you start in and read those 71 pages. You all should have had it digested. [*Laughter*]

What we are over here for is, of course, to answer any questions that we possibly can in connection with the income and expenditures of the Government.

I never had as much difficulty in the 14 years I have had connection with a budget as I have had with getting this one ready, on account of conditions over which I really had no control. Conditions have created a situation where we had to—for the last year, the budget for 1948—increase the expenditures; and we had to—in the 1949 budget which is being worked out now—we had to increase expenditures due to circumstances that were necessary in foreign affairs for us to meet.

You will find, however, that the budget is an exceedingly tight one, and that we almost reached the point where expenditures would not exceed the income.

The budget of 1945 and 1946—from June 1945 to June 1946—if you remember, called for about $103 billion. Due to the end of the war, we were able to rescind about $60 or $65 billion of that. And then in the next year's budget—1947—June 1946–1947—we managed to come so close to a balance that we finally wound up in pretty good shape. And in the 1947–1948 budget, we had an $8 billion surplus, and expenditures by that time had been reduced from something over $50 billion in 1945–1946 to a little over $33 billion in that year.

And then our foreign affairs caused us to have to increase the expenditures for last year, and that is a continuing charge in the 1949–1950 and 1951 budgets. And that accounts for our present situation, along with that rich man's tax bill, which I vetoed three times.

We are asking this time for the restoration of $4 billion in revenue so that we can continue to make payments on the national debt. And we are asking also that the fake transfer of $3 billion from the 1948–49 budget be rescinded and that the surplus be applied to the national debt, as it should be.

You will find all these things set out in the budget very clearly in that first 71 pages, and I hope—as I say—that every one of you, if you haven't read that first 71 pages will read that carefully, because you can't fail to understand what is meant by the figures if you read that first 71 pages.

Now we will try to answer questions.

[2.] Q. Mr. President, is 5 billion, 960 correct for new taxes?

THE PRESIDENT. Four billion is asked for, for new taxes.

Q. Additional billion, 960 million is payroll deductions actually?

THE PRESIDENT. Probably it ought to be there. It should have been there 5 years ago. They keep postponing it until that fund is going to be insolvent, but that is an asset. That is for the purpose of making those funds solvent, as the law provides for.

Q. Considered as a tax?

THE PRESIDENT. Considered as a tax.

Q. Considered as a tax—that's right.

THE PRESIDENT. It is, but it isn't an expenditure.

Q. I am talking about taxes.

Q. 5 billion, 960 the correct tax figure?

THE PRESIDENT. Why yes, if you want to add those payroll taxes to it you can, but the tax that I am asking for is $4 billion—to pay some on the national debt. That doesn't have anything to do with the operation of the Government.

[3.] Q. Mr. President, you suggested moving ahead the date when the payroll taxes increased to half of one percent.

THE PRESIDENT. That's right.

[4.] Q. And then you made a recommendation, something to the effect that there should be some additional increase in the payroll taxes to cover medical care. Do you have an estimate as to how much that will be?

THE PRESIDENT. It is going to be set out in the medical message. You will find the figures in there, if you look hard enough.

Secretary Snyder: Mr. President, so that there wouldn't be any—just let Mr. Lawton speak on this medical situation.

THE PRESIDENT. All right—wait a minute—Secretary of the Treasury wants to clear up something.

Secretary Snyder: The President mentioned he canceled that $3 billion transfer from 1947 to 1948. That will—we have already applied that in reduction of the debt, so there will not be a further reduction of the debt.

THE PRESIDENT. No.

Secretary Snyder: But it will be a permanent reduction.

THE PRESIDENT. Permanent reduction, that's right. All right—you tell them about that health.

Q. $280 million?

Secretary Snyder: 260.

Q. $260 million rate for health tax. How is that levied?

Secretary Snyder: Levied on payroll.

Q. How much?

THE PRESIDENT. I can't answer that question.

Director Webb: Half of one percent.

Q. Employer or employee?

Secretary Snyder: Both.

THE PRESIDENT. Just like social security did. A figure of $260 million is the estimate.

Q. Both employer and employee, Mr. President?

THE PRESIDENT. That is up to the Congress to decide that. All those details will be set out in the message which I am going to send Congress on the subject, and that message will go down in about 5 or 10 days.

Q. Mr. President, can you tell us about the half of one percent? Is that the half of one percent that you are recommending in here?

THE PRESIDENT. No.

Q. Is that additional?

THE PRESIDENT. That is the additional half of one percent. It is the additional half of one percent to keep that social security fund solvent. This tax increase should have been automatic each year, but every time it came up to pass a resolution in the Senate, none was appropriated, so we have known that that fund was piling up. That tax should be levied every year. I sincerely hope that they will not do that same thing this year, because I want to see that fund actually get solvent so that there won't be any danger of our having to make appropriations from current revenue to meet that situation when it comes about.

[5.] Q. Mr. President, on the first page of your message—M5 (p. 45)[1]—the last two sentences on the page, the last sentence, "Be-

[1] Page references in parentheses, throughout this news conference, indicate where the subjects referred to may be found in the Budget Message as printed herein (Item 8); all other references correspond to the page numbers in the Budget as published in House Document 17 (81st Cong., 1st sess.).

cause of the normal lag in the collection of taxes, however, tax receipts in the fiscal year 1950 would be considerably less," that means considerably less than the——

THE PRESIDENT. Less than the 4 billion.

Q. ——estimate?

THE PRESIDENT. About 2 billion. About 2 billion.

Q. About 2 billion.

[6.] THE PRESIDENT. See the next point, when you come to military aid to Europe.

Q. Where is that?

Q. The idea is that will not mean an estimate at this time as to the military aid to Europe?

THE PRESIDENT. That's right, because there is no way to make an estimate on it.

Q. Have you any estimate on that?

THE PRESIDENT. No, not yet. It isn't anywhere near the estimate stage yet, because it requires a lot of maneuvering yet to arrive at; a position where we would be in any position internationally to do anything of the kind, I haven't made.

Q. How much will you ask, probably, as an arbitrary authority to start off operations of that——

THE PRESIDENT. I can't answer that question.

Q. Mr. President, will it be in the budget?

THE PRESIDENT. It will, eventually, and if it works out in this fiscal year.

[7.] Q. Mr. President, do you estimate new taxes at 2 billion or 4 billion?

THE PRESIDENT. The 1950 estimate is—if the increase is made—a possibility of collecting 2 billion in additional taxes in 1950. That depends altogether on what the Ways and Means Committee does in the House, and I can't tell them what to do. They are, by the Constitution, the tax authority.

[8.] Q. Now another point. Both for fiscal year 1949 and fiscal 1950, what estimated national income is used in the calculation?

Secretary Snyder: 215.

THE PRESIDENT. 215 billions.

Q. Is that figure used by Commerce?

Secretary Snyder: That is the present Commerce figure, yes.

THE PRESIDENT. That's right.

Q. That is for both 1949 and 1950?

THE PRESIDENT. Yes.

Secretary Snyder: Using it for—in the adjustment of 1949 for the projection of 1950.

Q. Is that personal payments? Is that a personal payments figure?

Secretary Snyder: Personal income tax level, yes.

Q. Mr. President, what would the expenditure figure have been for this budget under the old accounting system? How would it compare?

THE PRESIDENT. $2 billion greater.

Q. The trust fund figure would not be added in as well?

THE PRESIDENT. The trust fund figure is never added in the budget. The thing that is used in the budget is the refund. They never should be in the budget because they are overpayments.

Secretary Snyder: We have here a release that explains that. If anybody didn't see that release some weeks ago, we have it here for you, and I have another statement showing deductions from the receipts—shows a net receipts estimate.

THE PRESIDENT. That's the idea.

[9.] Q. Mr. President, on page 7 (p. 46), in connection with military aid, it says, "To further this objective, I expect later to request funds for providing military supplies for those countries"—the Western European countries, of course—"and certain other countries where the provision of such assistance is important to our national secu-

rity." Could you say anything about the "certain other countries"?

THE PRESIDENT. I can't discuss that situation at all. All that can be said is in the Budget Message.

Q. Mr. President, if this military aid shows in the 1950 fiscal year, will that mean higher expenditures than you are now anticipating?

THE PRESIDENT. It certainly would.

Q. And in that connection, then, would you agree with your Council of Economic Advisers that that will probably mean increases in all brackets of personal income taxes?

THE PRESIDENT. No, I would not. I set out what I believed in my Message on the State of the Union. I made that very clear.

[10.] Q. Mr. President, returning for a moment to the trust fund figure——

THE PRESIDENT. Sure.

Q. ——that the Secretary spoke of, I understood him to say that that money had already been applied to reduction of the national debt?

THE PRESIDENT. Oh no.

Secretary Snyder: Not the trust fund.

THE PRESIDENT. Not the trust fund, the surplus.

Q. $3 billion?

THE PRESIDENT. The surplus that was——

Q. It was called trust fund, I believe, at the time it was created.

THE PRESIDENT. $3 billion. It has already been applied on the national debt.

Q. Already applied?

THE PRESIDENT. Yes.

Secretary Snyder: With receipts over expenditures, we can certainly pay that on the debt, even if we have to borrow that back in order to keep interest payments down. So we had already actually gone ahead and applied it on reduction of the debt. It shows the permanent reduction in 1947 instead of 1948.

Q. So that if they would adopt your recommendation to repeal that provision of the law, it would go up——

THE PRESIDENT. That is correct.

Q. ——that much more, I understand?

THE PRESIDENT. That is correct.

Secretary Snyder: No, no—it would not affect the total of the debt a bit.

THE PRESIDENT. No, it wouldn't. It's a matter of bookkeeping.

Secretary Snyder: It was set up as a bookkeeping device. We want to get it back like it always had been, don't you see.

THE PRESIDENT. It doesn't make any difference in the total national debt at all.

Q. I am completely confused then, Mr. President, because as I understand it——

Secretary Snyder: Maybe I should outline the thing and try to remove the confusion. We would have had a little over $8 billion surplus in 1948—I mean 1949; and then Congress took 3 billion out of that surplus and moved it over into 1949. We are simply putting that 3 billion back in the year in which it actually was a surplus. So far as the debt—we are doing that for future reference to the revenue and expenditures of those relative years so that they will be in their true light. So far as the debt is concerned, for efficient management of the debt, we apply our excess receipts over expenditures each month in the refunding that we have to meet, even though later we have to raise the amount we select and to make up for any deficit that occurs, don't you see. So actually it doesn't affect it. If we had saved all that money in the cash period, it would have meant that we could have reduced the money now, but we didn't apply it in immediately in reduction during those months' refundings, and so as a result why permanent reduction of the debt will show in 1948, rather than in 1949.

Q. And the 600 million deficit for fiscal

year 1949 shown in this budget?

Secretary Snyder: That's right.

Q. And the debt would be increased, let us say, by $600 million?

Secretary Snyder: That is correct. Net increase would be by that much. Is that cleared up?

Q. Yes.

[11.] Q. Mr. President, how much has been set aside in the budget for reduction of the national debt in 1950?

THE PRESIDENT. Nothing.

Q. All right, assume that Congress increases taxes over $4 billion, how much——

THE PRESIDENT. Whatever the surplus would be. If you take the budget, add $2 billion to whatever income is set out in the budget, and subtract the deficit from that, that is what will be applied on the debt.

Q. Subtract the amount for military aid to Europe?

THE PRESIDENT. If there is any military aid.

Q. Is that item, Mr. President, kept in reserve for contingencies?

THE PRESIDENT. No, it is not.

Q. Did you say if there is any military aid?

THE PRESIDENT. Yes.

Q. Is there some question about that?

THE PRESIDENT. The matter cannot be discussed.

[12.] Q. Mr. President, you have a list of items in here for possible expenses on new legislation. In your message you proposed a survey of the steel industry.

THE PRESIDENT. Yes.

Q. To see whether there was additional capacity required. Is there an item in the budget to conduct that survey?

THE PRESIDENT. A million dollars from the President's fund—for purposes of that sort.

[13.] Q. Mr. President, on page 13 (p. 51) the table shows that estimated expenditures for 1950 are 41.8, but in the adjoining columns the combination of new appropriations and other authorizations come to 44.6.

THE PRESIDENT. Well now, I tried to explain here one time the difference between the cash expenditures in the budget and the appropriations, and that's what that amounts to.

Director Webb: The trend is up.

THE PRESIDENT. And that means the trend is up. There is a difference now. The cash outlay for 1950 will be what it says here—$38 billion, but the appropriations will authorize expenditures up to 44, part of which will be paid in 1951 and 1952, in all likelihood.

Q. Mr. President, is that what you call a 44.6 budget?

THE PRESIDENT. It should not. It should be called a budget at the figure set out right there.

[14.] Q. $7 million for survey of capacity and supply. What sort of—what type group will make that survey? Will it be congressional or executive?

THE PRESIDENT. I will cross that bridge when I get to it and tell you all about it.

[15.] Q. Mr. President, may I go back to the comparison of the old accounting basis, on page M11 (p. 50)?

THE PRESIDENT. Page what?

Q. M11—table headed Budget Receipts. The footnote says that payments of refunds are now reported as deductions rather than as expenditures, as previously; and then goes on to refer to the payments by wholly-owned Government corporations and enterprises. Were those payments formerly included on the expenditure side of the budget?

Secretary Snyder: One offsets the other.

THE PRESIDENT. Entry on both sides of the budget. It did not affect the final figure—it was a debit and a credit both.

Q. But if it were reported on both sides, then to get a valid figure wouldn't you have to add as well the $2 billion figure for refunds and the $2 billion, 420 for appropriations to trust funds?

THE PRESIDENT. No, no.

Director Webb: If you look on page 2 of the press release, you will find what we do and which will indicate to you the kind of items that are affected.

THE PRESIDENT. Have you got one of those?

Q. Yes, I have it, sir.

Q. All the figures in this new budget, past and present, are adjusted to reflect this new accounting method?

THE PRESIDENT. That is correct—that is correct. The old figures are adjusted to meet the same situation, so there is no fake comparison there at all.

Q. The only place where we might go wrong in making comparisons—and you would have to point out the change—would be in taking it back, say, 5 or 10 or 15 years.

THE PRESIDENT. That's right, we went back 5 years in this release here.

Q. Yes, I know.

THE PRESIDENT. Of course, if you go beyond that, you would have to adjust the old figures, just as we have adjusted this in this 5 years.

Secretary Snyder: We selected this year to make this adjustment in accounting. The Treasury Department, the Budget, and the General Accounting Office all worked over it here, to try to unify the accounting system of the Government. This is one of the steps—continuing steps or simplification of our daily statement. We chose this particular year as the ideal year to do it, because we could do it with less complications this particular year than any other year; and there is no idea—the President has no idea of using it to show a reduction in the budget, or anything of the sort, because he frankly tells you that the other side was a reduction identically the same.

THE PRESIDENT. If you read page 1399 in this green book, it is all set out for 10 years and adjusted.

[16.] Q. Mr. President, in the last Congress—which you praised so highly—there was quite a bit of excitement over a 70-group air force, which Congress approved. I notice you have a 48-group, on page M22 (p. 58). I was wondering whether that would carry out a 70-group air force program in the 4 years allotted by Congress?

THE PRESIDENT. No, it would not. It allows as many airplanes as they originally wanted for the 70-group air force, but that almost doubled the group—that's what the difference is. We anticipated a question like that, so I have got some facts together for you.

[*Reading*] "The number of groups is a somewhat misleading measure of air power since the character, size, number of aircraft, and other elements of the groups are not fixed but constantly change as conditions require. The size of the Air Force is better indicated by the number and size of aircraft rather than by the number of groups. The number of first and second line aircraft I have recommended for the Air Force for the fiscal year 1950 is 9,200. As you will note from my message, this budget represents a better balance between the various components of military strength than we have had in the past. To provide in the next budget a still better use of our military dollars, I am planning to recommend substantial improvements in the organization of the National Military Establishment. The funds provided by Congress for the Air Force in fiscal year 1949 were intended to provide an increase in the number of first and second line aircraft to 10,297 by June 30,

1949. The Air Force has reduced this number by 700 training planes as a result of revised training requirements. The approximately 400 other planes to be dropped are largely Army support planes which were planned for tactical purposes.

"Also it should be borne in mind that the Air Force Reserve and Air National Guard will grow in strength in 1950. In the Air National Guard it is contemplated that strength will increase from 35,000 at present to 49,500 by July 1, 1950."

Actually there is a tremendous increase.

Q. Did you say, Mr. President, that in the next 4 years the number of first line planes will be approximately the same as under the program contemplated by Congress?

THE PRESIDENT. No, no.

Q. Does that follow?

THE PRESIDENT. No. We are trying to get an integrated defense system without playing favorites either with the Navy or the Army or the Marine Corps. I will have a message on that at a later date.

[17.] Q. There was considerable talk about a $15 billion ceiling to include about 600 million for critical materials. I am wondering with which figure that $15 billion should be compared, this 15.9 authorization or this 14.3?

THE PRESIDENT. 15.9.

Q. In other words, what you did was to increase that ceiling by the extent of UMT, is that correct?

THE PRESIDENT. That is correct—that is correct. Stockpiling UMT.

[18.] Q. Mr. President, on page M34 (p. 67), where you say, quote: "In addition, I propose that we raise the ceiling on taxable earnings"—on which social security is based—will there be any specific recommendation as to whether that be raised 4200 or 4800 or some other figure?

THE PRESIDENT. It will be gone into in detail in a message on that subject. I will have that message ready in a few days, and it will be set out very clearly.

Q. Medical message?

THE PRESIDENT. No, that is an entirely different one. I am going to have message after message. I am going to keep you busy from now on! [*Laughter*]

[19.] Q. Mr. President, on page M66 (p. 93) you refer to the War Assets Administration due to wind up the end of February, and to a new single property management agency. It is not quite clear from your remark here whether you contemplate that War Assets Administration will be dissolved at the end of February or whether it will be temporarily extended?

THE PRESIDENT. I can't tell about that. It depends on what conditions are at that time. I had hoped it would be through by that time.

[20.] Q. Mr. President, there are a lot of estimates here in the budget. Just for our guidance, could you give us an estimate of the number of messages you plan to send up?

THE PRESIDENT. No, I can't. I will send them as they are needed.

[21.] Q. Mr. President, I am not quite sure, was the Air Force given the number of planes that they want?

THE PRESIDENT. Not quite. You never can satisfy them. I have to put my foot down and tell them what they can have. If you didn't do that, they would take all the money in the budget.

Q. On page M25 (p. 60)—Naval Ship Construction—are there any superaircraft carriers provided in that?

THE PRESIDENT. One. There is one, and that's the cost of it.

Q. Is that the one under construction now?

Director Webb: That's right.

THE PRESIDENT. Yes, it has been started.

[22.] Q. Mr. President, I have been trying to find the figure here—I have been trying to find the figure that would show the total cash intake of the Federal Government for the fiscal year 1950. The budget receipts figure, as I understand it, has had money put in the trust funds taken out of it?

THE PRESIDENT. No, no, I don't think so. What is that, John?

Secretary Snyder: That is the total figure.

THE PRESIDENT. The total figure is right there.

Secretary Snyder: That is why I was so cautious about using that word "trust fund." That $3 billion transfer was called in the legislative act a trust fund. That has no bearing on the trust funds that are set up for the various governmental funds.

Q. Mr. Secretary, on page M11 (p. 50)—Appropriations to Trust Funds, for social security, etc.—are those actually deducted from the receipts at all?

THE PRESIDENT. Tax refunds are deducted from the receipts.

Secretary Snyder: That is the estimated tax refunds that will be probably paid back for overpayment of taxes, and does not involve trust funds.

THE PRESIDENT. Doesn't involve the question of trust funds at all.

Director Webb: This is cash receipts to and from the public, as set out on page 123.

THE PRESIDENT. It has been called to my attention that if you turn to page A123 in the Green Book, you will find it all set out in detail.

[23.] Q. Mr. President, in the Economic Message you recommended the deduction of certain excises. Would that offset part of the $4 billion in new taxes?

THE PRESIDENT. No—I don't know—it would not. I am asking for $4 billion in new taxes, and the adjustment will have to be made so that it will be $4 billion, if I get what I want.

Q. $4 billion net?

THE PRESIDENT. That's right.

[24.] Q. Mr. President, on page M50 (p. 80)—I know what, you are going to send a message—[*laughter*]—on M50, the next to the last paragraph: "A flood control survey report covering the watershed of the Missouri will soon be presented to the Congress." Is that going to be an overall——

THE PRESIDENT. Yes. That is a flood control proposition entirely with the whole Mississippi Valley.

Q. Containing MVA?

THE PRESIDENT. No.

Q. What about the MVA?

THE PRESIDENT. You know all about it as well as I do. Ten of those are drainage projects in the Missouri, and 9 of them I got—9 of them including Missouri.

Q. Might be well to assume that you are going to go slow on all of those basin improvements and concentrate on hydroelectric power increases?

THE PRESIDENT. No. No, that is not true at all. I expect to make recommendations on several of those projects. In fact, I have made a recommendation in the Message on the State of the Union. I didn't specifically name the projects, for the simple reason that there are two or three projects, that are in a situation where we can go right to work on them. But I don't want to make that recommendation until this Budget Message and the Economic Message and this Message on the State of the Union have been digested, and then I will take care of that.

Q. Well, it says in here that the increased costs and the need for other things indicates the wisdom of going slow?

THE PRESIDENT. I think that is correct, but that doesn't mean we must go slow in an

effort to get them.

Q. You are going to ask for authorizations but not appropriations, is that correct?

THE PRESIDENT. That's right. At any rate, get the thing started. I am particularly interested in the St. Lawrence Seaway.

[25.] Q. On M25 (p. 60) you say that the increased costs will be $279 million for the same number of naval craft, and in another place in the message you have $42 billion for the same number of vessels because of increased costs, etc. Has the Budget Bureau worked out a figure showing how much the inflation will cost the Government for the same number of units of—physical units——

THE PRESIDENT. No, no. It hasn't been worked out. You can do that yourself—just get last year's budget, and this one, and the year before—you won't have much trouble. [*Laughter*]

[26.] Q. Mr. President, on page M28 (pp. 62, 63), I have a question.

THE PRESIDENT. What was that?

Director Webb: M28.

Q. Veterans.

THE PRESIDENT. Yes.

Q. "The necessity for new or extended benefits for veterans without service disabilities should be judged, not solely from the standpoint of service in our armed forces, but in the light of existing social welfare programs available to all, veterans and nonveterans alike." Wouldn't that—the tenor of that whole passage—isn't that a sort of warning against a bonus?

THE PRESIDENT. You can take it for that, if you like. I have said in previous instances that those things should come under the normal business of the Government. The boys here prepared a statement which goes into detail, and I will read it to you, if you like.

[*Reading*] "We should not continue to expand benefits to this group, regardless of other benefits to which they may be entitled, through existing or expanded social security programs. Veterans have the same opportunity as nonveterans to accumulate benefit rights under the social security programs. It is undesirable to have a duplicate or dual system of benefits, and as the message points out, veterans and their families will soon be two-fifths of the total population. Therefore, any proposal to extend the present benefits available to veterans who do not have service-connected disabilities should be considered only in relation to other available benefits."

What we are trying to do is make the social security system so good that nobody will want any special benefits.

[27.] Q. Mr. President, is the Navy getting funds to build that supercarrier?

THE PRESIDENT. Yes, $100 million.

Q. Mr. President, does that super aircraft carrier represent a decision on your part as Commander in Chief in the controversy over strategic air warfare?

THE PRESIDENT. It does not. It does not.

Q. Mr. President, isn't that carrier construction pretty well underway?

THE PRESIDENT. No. The keel has been laid down in Norfolk navy yard.

[28.] Q. The table on A123——

THE PRESIDENT. 123? That's the one about cash income and outgo, isn't it?

Q. Yes, sir.

THE PRESIDENT. What about it?

Q. Two things on that. One, does the cash inflow there include the proposed social security legislation?

Director Webb: Yes.

THE PRESIDENT. Yes, it does, the experts say.

Q. The other thing: would it be true to say, would it not, that the total impact on the economy, fiscal years 1940 and 1950,

would be deflationary, since there will be—the Federal Government will take in more cash than it will pay out?

THE PRESIDENT. That depends on what action the Congress takes. These are estimated figures.

Q. If this budget is carried out?

THE PRESIDENT. If this budget is carried out, that is true. That is what we are trying to do.

[29.] Q. Mr. President, is there anything in the budget which takes into account the proposed—extended expenses that may be incurred if the Federal Security Agency is given departmental status—a new Department of Health, Welfare, and Education is created?

THE PRESIDENT. I don't think there will be any increase in cost in that case. There will be an increase in dignity and title is all.

[30.] Q. Mr. President, on that very subject, inflation and deflation, page M32 (p. 66), there is a statement that this initial dividend of about $2 billion would be paid throughout the year for servicemen. Won't that be inflation?

THE PRESIDENT. It so states in the budget that it will be, if you will read that section.

Q. That would offset the other question?

THE PRESIDENT. Just about.

Q. Is it definite that the veterans will get the refund this year? I recall years ago——

THE PRESIDENT. I can't answer that question definitely. They will try with everything they have to get in shape so that they can meet those things as they come up. The bookkeeping over at Veterans Administration has had to be completely overhauled. As soon as they get that job done, that payment is due and payable, and it should be. That is the only reason it is being paid out.

Q. This payment is included on the table on page A123?

THE PRESIDENT. Yes.

Q. Is that included in 1949 or 1950?

THE PRESIDENT. It's in 1950.

[31.] Q. Mr. President, on M70 (p. 96), with reference to the St. Lawrence, you estimate expenditures in 1950 fiscal at 8 million, and refer to anticipated supplemental appropriations or authorizations as 20 million. Were you suggesting there an appropriation of 20 million, of which 8 million might be spent in fiscal 1950?

THE PRESIDENT. That is correct—that is correct.

[32.] Q. Mr. President, on M56 (p. 85) you speak of a postal deficit. Do you intend—the rates—last paragraph——

THE PRESIDENT. Yes, I think newspapers and magazines ought to pay for their advertising they send through the mails, if that is what you want to know. They ought to pay what it costs. [*Laughter*] I don't see why they should be subsidized any more than anybody else.

Q. What about the effect of that on small papers? That's what always bothers me.

THE PRESIDENT. They should be in the same boat.

Q. Small papers?

THE PRESIDENT. Small papers. I have always advocated that, Pete,[2] ever since I came to the Senate. It is just good business and good sense. There isn't any reason why we should have a subsidy of those things at all. Some of them wouldn't be so thick if they had to pay what it costs to go through the mails—we wouldn't have to go through so many pages of advertising to read the news.

Q. The point Pete was raising, Mr. President, is do you suggest that the free delivery system now prevailing for the rural press within a given quota be abandoned?

THE PRESIDENT. Oh no, not that. I want

[2] Raymond P. Brandt of the St. Louis Post-Dispatch.

the cost of transportation of these things to be paid.

Q. This is the rural free delivery?

THE PRESIDENT. I don't know about that. I never ran a paper in my life, so I don't know how they handle those things, but I think that a postal deficit should not exist, and the things that cause the deficit should pay the deficit. That is what I am trying to get at. If you read the paragraph on M56 (p. 85), I think it clears it up pretty thoroughly.

Q. Well, Mr. President, I am a little surprised at your criticism of subsidies to newspapers, when pretty nearly everything else gets subsidies.

THE PRESIDENT. Well, you don't mean to tell me that they need a subsidy in order to operate, do you?

Q. The little, small ones.

THE PRESIDENT. I don't think the papers do.

This is a controversial matter. I am taking a stand on it. As I have just said, I don't think that a Post Office deficit ought to be in the nature of a subsidy. I am making it as plain as I can.

[33.] Q. On page M55 (p. 84), middle of first paragraph: "I recommend legislation to provide for proper conservation and planned use of the oil reserves under the sea which are vested in the Federal Government."

THE PRESIDENT. That's right.

Q. What type of legislation on that?

THE PRESIDENT. Legislation necessary to make it clear on the leasing of those lands, and it should be done for the protection of the people. There is an authority now under which it can be operated, but I don't think it's a clear authority, and I think the Congress ought to clear it up, so as to make it perfectly plain as to how we can develop those resources in the interest of the public.

Q. That includes tidelands and continental shelf?

THE PRESIDENT. The whole thing.

Q. The whole thing?

THE PRESIDENT. The whole thing.

[34.] Q. Is there any figure in this budget which puts in one figure the sum total of all subsidies proposed?

Director Webb: No.

THE PRESIDENT. No, I don't think there is, the Budget Director says. It would be rather interesting to see, I think.

Q. On those subsidies—I can't find the page now—but it's on farm parity. You say that that flexible provision should be amended. What have you in mind there?

THE PRESIDENT. That is a matter for the Congress to work out. I can't tell them exactly all the details. I am in favor of farm parity and always have been, ever since I have been in the Congress, and it ought to be worked out so that it is a fair deal for everybody, including the consumer and the fellow that raises the crops.

Q. You mentioned it specifically. Do you think that there will be a revision of the Tobey-Aiken bill?

THE PRESIDENT. I do.

Q. Upward, for the farmers?

THE PRESIDENT. I say it should be revised. Don't put words in my mouth, Pete.

Q. Are you in favor of a flexible price support system?

THE PRESIDENT. I haven't given the matter thought. That is a matter for the Congress to work out. If they like it, I will sign it.

Q. Mr. President, M50 (p. 80), reduction in the Commodity Credit Corporation outlay is contemplated. I wonder if that was assuming flexible price support?

THE PRESIDENT. No. It is based on crop estimates. It is based on the crop estimate, putting into effect the quotas where there

is a great surplus of the crop. You read the book on that. I am not going to give you a lecture on that this morning.

[35.] Q. Mr. President, on page 9 (p. 48), you suggest revision—has there ever been—page 9 refers to suggested revision of the Classification Act. Has there ever been any figure as to just what those figures should be?

THE PRESIDENT. No, I don't think it has been worked out in detail, but it should be worked out. The Classification Act should be worked out on a basis of fairness to the people who work under the Classification Act. Some of them are grossly underpaid, and they are not in line with other people who draw a salary from the Government elsewhere.

[36.] Q. On that 4 billion tax increase, it would yield only 2 billion in 1950.

THE PRESIDENT. That is correct.

Q. Do you mean by that that the other 2 billion of it would be paid by corporations?

THE PRESIDENT. No. When I say only $2 billion of it can be collected in 1950, you can't get ready for the collection until the budget year will be half gone. That's what the difficulty is. We hope to get a tax arrangement that will bring us in an additional $4 billion. The most we can expect to get out of that in 1950 would be 2 billion. That is just a fiscal matter.

Q. Mr. President, have you given up on the excess profits idea?

THE PRESIDENT. The Message on the State of the Union states where I stand on that.

Q. On that $2 billion, any additional taxes would have to be paid immediately, would they not? In other words, the lag that you are talking about would not apply to individuals?

THE PRESIDENT. It applies each year to individuals. The half of the fiscal year would apply to individuals because it would be applied——

Q. In other words, this would not be effective until January 1, 1949?

THE PRESIDENT. It is due to the fiscal situation—June 30th would be assumed until the thing would go in.

Q. In table 1 of the Budget Résumé, Based On Existing And Proposed Legislation, employment taxes—you have proposed legislation—the proposed additional $4 billion in taxes is not in there, is it?

THE PRESIDENT. No. That is a different thing entirely.

Q. Is that the only item missing in that—on that proposed legislation, do you know?

THE PRESIDENT. That is about the only one that is missing. But it does not reflect the additional corporation and personal income taxes.

Q. Mr. President, I would like to get something straight.

THE PRESIDENT. All right.

Q. These new taxes that we are going to ask for apply to calendar year 1949, do they not?

THE PRESIDENT. The budget year 1950.

Q. Taxes will apply to income on taxpayers for the calendar year 1949?

THE PRESIDENT. The last half of it, yes, if the Congress enacts it. That is a 1950 budget.

Q. Do you mean that the new taxes are to apply to income received only beginning July 1st?

THE PRESIDENT. That is up to the Congress. I can't go into detail. The Ways and Means Committee are going to write this tax bill—whatever they put in it. We have made an estimate that we will probably get $2 billion. If we get the tax bill, that in the long run will give us $4 billion. It is an estimate entirely.

Secretary Snyder: Mr. President, may I just say one word there? That $2 billion is

not a sacred figure. [*Laughter*] The—it isn't anything to laugh about—the President asked for 4 billion increase in taxes. We will have to just consider that some tax increase would come in the calendar year 1950. Now it may be, if the Congress should happen to work on personal income taxes, or something of that sort, part of that—half of it would move over into the 1950 budget. But just for ease of purpose, half of it is estimated to fall within the fiscal year 1950. Now, it might go up or down, either way, so far as half of it is concerned, see?

THE PRESIDENT. It is merely a guess. It is merely a guess.

Q. That increase in corporate taxes applying to calendar year 1950 would not show up at all in the 1950 budget, would it?

Secretary Snyder: If it was for the year 1949. It all depends on how the Congress writes the tax bill. If they make it effective, say, for 1949, the corporate taxes would begin to show up in 1950.

Q. You would assume, would you not, that in any case you would get approximately half of it in fiscal year 1950?

THE PRESIDENT. That's right.

Secretary Snyder: For the fiscal year 1950 we are just assuming we would collect half the recommended tax increase. That could vary with the tax bill that Congress finally imposes.

Q. You are leaving up to Congress whether those taxes shall start January 1, 1949, or January 1, 1950?

THE PRESIDENT. On July 1, 1949.

Director Webb: July 1, 1949.

Q. Three dates possible?

THE PRESIDENT. Depends altogether on the attitude of the Congress and whether they want a deficit or not.

Q. What is your request, or recommendation, as to when that should start?

THE PRESIDENT. I didn't make any such recommendation. I asked for the money, and told them what the condition of the budget is. Now it's up to Congress to take advantage of the situation and do what they see fit.

Q. If they want to make it retroactive to January 1st, you will collect some funds in fiscal year 1949?

THE PRESIDENT. You just can do all the speculating you want on that. I am going to wait until I see the bill. I can't tell you what will happen. We have made an estimate on what we hope will happen.

Q. Which would retire the debt?

THE PRESIDENT. I don't think we can arrive at that point in 1949. We are hoping to in 1950.

Q. If the date were January 1, 1949, wouldn't it be $2 billion which could be applied to the fiscal 1950 budget?

THE PRESIDENT. It might be in 1949——

Secretary Snyder: Fiscal 1950, part of that could be applied.

THE PRESIDENT. That is correct.

Q. What was the estimate based on, what date, what is the estimate here?

THE PRESIDENT. July 1st—July 1st.

Director Webb: 1949.

THE PRESIDENT. That's right.

Director Webb: But it is not included in the budget figures at all.

THE PRESIDENT. It isn't included in the budget figures at all. That is not included in the budget. If we get it, why we will be able, I think, not to have a deficit; if we don't have it, we will have a deficit.

Q. Don't believe they should consider taxation until after the March 15th returns. Do you agree with that viewpoint?

THE PRESIDENT. I have no argument with the Congress on how they are going to do it. I have asked them to do it.

[37.] Q. In that connection, Mr. President, I would like to ask my perennial ques-

tion, is there any reason why revenue for fiscal 1949 was underestimated by a billion, 6 in August?

THE PRESIDENT. Yes, the Secretary of the Treasury can answer that for you.

Secretary Snyder: The corporate earnings were higher than were anticipated, and there was an increase in the individual incomes in the latter part there that were not anticipated.

[38.] Q. Mr. President, I want to get one thing clear—on the offshore oil lands the administration had a very good bill, a very long detailed one, a year ago, and it had a lease provision in it to show where the Federal Government would spend the money. Is there reference to change that in a new bill?

THE PRESIDENT. I am not familiar with that bill.

Director Webb: The Attorney General has a bill down before Congress now.

THE PRESIDENT. The Budget Director says the Attorney General has a bill down before the Congress now. I have not gone into it in detail. I never do that until it comes before me for consideration.

[39.] Q. Did you say your tax estimate was based on the thought that the increased taxes would go into effect on July 1, 1949?

THE PRESIDENT. That is the reason we made it a $2 billion estimate. That is the reason for the $2 billion estimate.

Q. Is there any estimate of refunds that would go to individual taxpayers on the overpayments from January through April, under this $5 billion tax cut?

Secretary Snyder: Under increased taxes?

Q. Under this $5 billion tax cut, is there any estimate of what the refund would be January through April?

Secretary Snyder: Right there under the present tax laws it shows you on page M11 (p. 50), and shows for the various years what the deductions have been for refunds and receipts. That is all broken down there.

Q. The overpayment for 4 months, though, from January through April?

Secretary Snyder: It is not separated at all.

THE PRESIDENT. It is not separated.

Q. Is there any estimate on that?

THE PRESIDENT. No, we haven't got it.

Secretary Snyder: We could probably get it up for you, the actual effect of it.

Q. Sort of a windfall?

THE PRESIDENT. You were instructed to turn it into the Republican campaign fund. [*Laughter*]

[40.] Q. On page A123, I notice that there is an estimate of a sizable increase in receipts and excise taxes. I am wondering if—the third item down, under Receipts From the Public, Excise Taxes. There seems to be a sizable increase estimated, and I was wondering what that would be due to?

Secretary Snyder: Well, Customs receipts are slightly increasing. There is no great change—if you will look across the board there—there is no great change in excise tax collections, because they go up and down, they are going up in one area and down in another, so there isn't any great change across the board there for 1948, 1949, and 1950.

Q. $200 million anticipated extra in 1950?

THE PRESIDENT. Yes—well, that's in the overall total of the tax program.

Secretary Snyder: That is not a large amount, with the volume of business we are doing now, see?

THE PRESIDENT. We have been hoping that international business will increase and we will make more money.

Secretary Snyder: Some of them go down and some of them go up.

Q. That would be applicable more to

customs than to excise taxes?

THE PRESIDENT. No.

Secretary Snyder: The excise collection area goes up and down. Sugar will sell high one time and then it will drop off. Then costume jewelry will go up—perfume, and things of that sort; they vary with the different years. We hope that by holding to present levels of income that there will be an increased sale of those things.

Mr. Lawton: The details are on A12—start with page A12, you will find excise taxes all set out.

THE PRESIDENT. Is that 12A? A12, the experts say, the detail is all set out.

[41.] Q. Mr. President, on page M13 (p. 51), Interest on the Public Debt, we find that the interest budgeted for 1950 is $125 million higher than the estimate for 1949. Can that be taken to mean that the present rate is going to go up a little bit?

Secretary Snyder: No, it is not. We have explained that each year, as we have maturing obligations under the savings bonds. As you know, each year there is accumulated interest on those savings bonds that is written in there, don't you see, and that rate is around 2½, which is a higher rate than short-term borrowing. Each year we make material reductions in the debt, which will cut interest charges, but if the debt remains static, where it is today, there will be a constant rising of that cost of servicing the debt in the way of interest paid.

THE PRESIDENT. Interest on the long-time obligations is 2¼, 2½.

Secretary Snyder: On short term it is less than 1 percent. And on trust funds, that raises the general average, of course, of the cost of the interest charge—runs around 2.1.

[42.] Q. Mr. Secretary, on page A123, under employment taxes, fourth item, you go up there from 2½ billion to 5 billion, 2. Does all that contemplate—inclusion of the medical tax—contemplate action by Congress?

Secretary Snyder: That is just inclusion of the things he recommends in that message.

THE PRESIDENT. That includes the recommendations.

[43.] Q. Mr. President, apart from the military aid program, which is not accounted for here, are there any other important items which are not budgeted for here, but predicted——

Director Webb: No.

THE PRESIDENT. None that I know of. We have got everything here but the kitchen stove.

[44.] Q. Mr. President, a year ago the Secretary said these estimates of receipts were conservative, and it sort of turned out that way. Are these still conservative?

THE PRESIDENT. They always are and should be.

Secretary Snyder: These are based on the very latest reports from Commerce, and we are hoping to sustain that base throughout this coming year.

[45.] Q. This $15 billion figure should be called personal income rather than national income? Is there a difference between those two terms?

THE PRESIDENT. Yes there is.

Q. Personal income payments, rather than national income?

Secretary Snyder: That's the term that they use. That's the national personal income figure, don't you see?

[46.] Q. Mr. President, to go back to the Secretary's explanation a minute ago on the rising employment taxes from 2 billion, 599 to 5,253——

THE PRESIDENT. That includes the increased taxes I have asked.

Q. That includes taxes that will be specified in this message?

THE PRESIDENT. They are already specified

in this message here.

Q. Tax rates on employment, etc.?

THE PRESIDENT. They are specified right here in this message. If you read that 71 pages, you will find that clearly set out. Turn to page M11 (p. 50) and read it.

[47.] Q. In the budget you are asking $134 billion in new appropriations and authorizations. I am curious to know whether under the Constitution you are required to expend all of it, even if it is appropriated?

THE PRESIDENT. No.

Q. You are not?

THE PRESIDENT. No. I canceled $65 billion in 1945.

Q. Well, are you obligated—do you have to use any of it——

THE PRESIDENT. No.

Q. I just wanted to settle an argument on that. [*Laughter*]

THE PRESIDENT. These are authorized by the Congress, but I don't think you will have very many where any department feels that they cannot use all of the authorization when they had it, unless there was a cancellation by the President.

[48.] Q. Mr. President, did I understand you to say the rates for this year in your expanded social security are in the budget somewhere?

THE PRESIDENT. Not health insurance. Health insurance is not in here. Social security increases, that is included in this budget. There is no estimate now in this budget on the health budget. I am told all the money—the Director says—is included.

Q. $260 million, that is not in the budget, as I understand it—doesn't figure in the budget. Your health insurance program was $15 million?

THE PRESIDENT. That's the trust fund, you see. That goes just like the other.

Q. How would that be raised, Mr. President?

THE PRESIDENT. It's ¼ percent—it will come in the message. I will tell you all about it in the message. About ¼ percent.

Q. ¼ on each—employer and employee?

THE PRESIDENT. Yes, ½ percent of the total payroll.

Q. That is included in the other you were speaking of a minute ago? That 5.2?

THE PRESIDENT. Yes, that's right.

[49.] Q. Mr. President, I was just going to ask, that 5.2, does that include aid to education in the things that you mention?

THE PRESIDENT. That is in the regular appropriation.

Q. Regular appropriation.

THE PRESIDENT. That is a trust fund, that 5.2 is—5 billion, 2.

[50.] Q. Mr. President, Public Debt Estimates and Budget Résumé of 1949 and 1950, does that include application of the Treasury cash balance, or no such application has been made?

THE PRESIDENT. It includes the public debt as it stands now, and those applications are made monthly. If there is any surplus in income, usually refinancing takes place every month or so. They just don't borrow more money when they have cash in the Treasury.

Q. That figure contemplates some cash balance will be appropriated?

THE PRESIDENT. It does not, because there is a deficit anticipated in both those years.

Q. I think it was in August that there was an explanation about operating deficit and operating surplus. Can we forget about that now?

THE PRESIDENT. Yes.

Secretary Snyder: Congress will have to do it.

THE PRESIDENT. Congress will have to do it.

Q. Am I correct in thinking that in August you predicted an operating surplus, or was it an operating deficit?

THE PRESIDENT. It was an operating deficit.

Q. Mr. President, in past years Mr. Webb has given us telephone numbers and names of people——

THE PRESIDENT. Have you got any good telephone numbers to give? [*Laughter*]

Director Webb: Yes sir, we have; 421 at the Budget. Somebody will be there over the weekend to help you.

THE PRESIDENT. I don't know whether he has got any more good telephone numbers or not.

Reporter: Thank you, Mr. President.

Director Webb: Wait just one moment! We want to settle one thing.

[51.] THE PRESIDENT. On the reference to raising rates of second-class postal matters, the Postmaster General will have a bill which represents the views on this matter. I have not specified a position on the free delivery situation because I wasn't familiar with it, and I don't think you ought to quote me on that until you see the message, then that will set the thing up. We will make a mimeographed copy of that explaining statement, if you want it, and it will be ready later in the day. And any other information that we can furnish, you are perfectly at liberty to ask for it, and if I can get it to you, I will be glad to do so; and if we can't, all these experts can.

Q. Next year can we have the Seminar on some day other than Saturday?

THE PRESIDENT. It would have been some other day this time except for the situation as it developed. You see, the Budget Message happened to come on Monday this time. If it comes on some other weekday, why we will have the Seminar the day before.

Q. A wonderful day for golf.

THE PRESIDENT. Well, I hope you haven't wasted too much time. [*Laughter*]

NOTE: President Truman's one hundred and sixty-fourth news conference was held in the Movie Projection Room in the East Wing of the White House at 10 a.m. on Saturday, January 8, 1949. The President was assisted in presenting information on the budget by John W. Snyder, Secretary of the Treasury, James E. Webb, Director of the Bureau of the Budget, and Frederick J. Lawton, Assistant Director, Bureau of the Budget.

8 Annual Budget Message to the Congress: Fiscal Year 1950. *January* 10, 1949

[Released January 10, 1949. Dated January 3, 1949]

To the Congress of the United States:

I am transmitting my recommendations for the Budget of the United States for the fiscal year ending June 30, 1950.

Under the laws of our country, the Budget, when approved by the Congress, becomes the plan of action for the Federal Government. It thus embodies decisions of tremendous importance, particularly in these times, to the American people and to the entire world. The preparation of the Budget is one of the most important duties of the President. It represents a carefully prepared plan for carrying out the many activities and services of Government which the Congress has authorized, and others which I am recommending, in response to the needs and desires of the American people.

This is the fourth Budget prepared since the close of World War II. The character of the postwar world still presents many complex problems and unanswered ques-

tions. This Budget is the clearest expression that can be given at this time to the program which the Government of the United States should follow in the world today.

It is founded on the conviction that the United States must continue to exert strong, positive effort to achieve peace in the world and growing prosperity at home. Substantial direct assistance is provided for other members of the family of nations, and expenditures in support of our armed forces are materially increased. Funds are included for the necessary strengthening of our economy through the development and conservation of the Nation's productive resources. Increased emphasis is placed on the provision of badly needed measures to promote the education, health, and security of our people.

To support this program, the Budget provides for expenditures of 41.9 billion dollars for the fiscal year 1950, about 1.7 billion dollars above the requirements for the present year. Under existing law and with continuing high levels of economic activity, revenues for the fiscal year would be 41 billion dollars. This would result in an estimated deficit of 873 million dollars.

In a period of high prosperity it is not sound public policy for the Government to operate at a deficit. A Government surplus at this time is vitally important to provide a margin for contingencies, to permit reduction of the public debt, to provide an adequate base for the future financing of our present commitments, and to reduce inflationary pressures. I am, therefore, recommending new tax legislation to raise revenues by 4 billion dollars. Because of the normal lag in the collection of taxes, however, tax receipts in the fiscal year 1950 would be considerably less.

In presenting this financial program to the Nation, I have carefully considered the present economic situation of our country and the effect upon it of large Government expenditures. The Economic Report, submitted recently to Congress, emphasized the compelling need for financial prudence by the Government at this time. The actions taken in preparing this Budget reflect that policy.

Because of heavy prior commitments requiring larger expenditures for a number of continuing programs in the fiscal year 1950 and the presence of inflationary forces in our economy, it has been necessary to deny many requests for additional funds which would normally be desirable. Necessary increases in our national defense program are expected to result in additional expenditures in 1950 of 2.5 billion dollars, or 21 percent, over 1949. Public works already authorized and now under way also require higher expenditures. Despite these and other unavoidable increases, the total expenditures contemplated for 1950 are only 1.7 billion dollars above the level of the present fiscal year.

Within the framework of this Budget, provision is made for inaugurating certain essential economic and social programs which should no longer be delayed. An estimate of 290 million dollars is included for aid to education. An additional 500 million dollars is included for such programs as housing and slum clearance, expanded social security and the national health program. In addition, there will be an increase in receipts and expenditures of trust accounts under my recommendation for strengthening the contributory social insurance system.

The plans of each Government agency have been thoroughly reviewed, and the amounts shown in the Budget represent, in my judgment, the minimum requirements for the next fiscal year. I believe that this

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Budget reflects the necessities of our national policy and the desires of our people and that an extensive review by the Congress will result in its acceptance as a sound program of governmental action.

The 1950 Budget, like all those since the end of the war, is dominated by our international and national defense programs. Together, they are expected to amount to 21 billion dollars, or half of all Budget expenditures.

International affairs and finance account for 6.7 billion dollars of expenditures in the fiscal year 1950, compared with 7.2 billion dollars in 1949. Most of these funds will be spent as part of the strong economic support we are extending to the free nations of Western Europe, whose recovery is the key to continued independence and to safeguarding freedom in many other parts of the world. Our investment in European recovery will repay us many times in terms of increased strength and improved organization for peace.

But in existing circumstances, economic strength is not enough to assure continued independence to free peoples. Under the Charter of the United Nations, therefore, we have been discussing with some of the Western European countries measures designed to increase the security of the North Atlantic area. To further this objective, I expect later to request funds for providing military supplies to those countries and to certain other countries where the provision of such assistance is important to our national security. It is not possible now to predict accurately what will be needed, and I have therefore included no allowance in the Budget. The fact that additional funds will be required to meet the demands of this program emphasizes even more strongly the need for increased revenues in the years ahead.

While we believe that active participation in the work of the United Nations and support for the economic recovery and growing strength of free nations are the most important steps we can take toward peace, we must also maintain adequate national defense forces. In this Budget, expenditures for national defense are estimated to total 14.3 billion dollars in 1950, compared to 11.8 billion dollars for 1949. New authorizations recommended for national defense in 1950 total 15.9 billion dollars. Defense expenditures to maintain the present program are expected to be higher in 1951, as a result of expanding programs now under way and the large orders already placed for aircraft, ships, and other material and equipment, which will be delivered and paid for in the next few years.

The military forces recommended in this

BUDGET TOTALS

[Fiscal years. In millions]

	1948 actual	*1949 estimated*	*1950 estimated*
Receipts	$42,211	$39,580	$40,985
Expenditures	33,791	40,180	41,858
Surplus (+) or deficit (−)	+8,419	−600	−873

NOTE.—Estimated expenditures are based on existing and proposed legislation. Estimated receipts exclude new tax proposals. Throughout this Budget, payments of refunds of Government receipts are reported as deductions from total receipts; in the past, they have been reported as expenditures.

Budget are the most powerful this Nation has ever maintained in peacetime. The principal objective we should have in mind in planning for our national defense at this time is to build a foundation of military strength which can be sustained for a period of years without excessive strain on our productive resources, and which will permit rapid expansion should the need arise. The recommendations in this Budget move toward this objective. I believe that they will permit this Nation to maintain a proper military preparedness in the present uncertain period.

Two other commitments of the Government will continue to have a major impact on Budget expenditures in the fiscal year 1950. These are interest on the public debt and our program of services and benefits provided for veterans and their dependents. Together they total 11 billion dollars, or 26 percent of the Budget.

A general decline in the number of veterans drawing readjustment benefits reduces expenditures for veterans to 5.5 billion dollars, 1.3 billion dollars below the current year. Interest on the public debt, however, shows an increase from 5.3 billion dollars in 1949 to more than 5.4 billion dollars in 1950.

Expenditures for all activities of the Federal Government, exclusive of those required for the four items—international, national defense, veterans, and interest on the public debt—total 10 billion dollars or 24 percent of the Budget.

Programs devoted to social welfare, health, and security require expenditures of 2.4 billion dollars. Of this amount nearly half is in direct grants to States for public assistance.

Development of our natural resources, including atomic energy, is estimated to cost 1.9 billion dollars. Programs devoted to agriculture and agricultural resources require expenditures of 1.7 billion dollars. Provision for transportation and communication facilities and services, many of them supporting our national defense activities, requires 1.6 billion dollars.

All other activities of Government—for housing, education, labor, finance, commerce, and industry and the costs of general government—amount to 2.3 billion dollars, or 5 percent of the total Budget.

Expenditures of 6.4 billion dollars are included within the foregoing Budget totals for new legislation. Of this amount, 5.6 billion dollars is directly concerned with international and national defense activities, while the remainder provides for domestic needs.

There are many activities of Government, authorized at various periods, which impose continuing financial obligations and tend to represent fixed elements in the Budget. A careful review has been made of these programs to assure that they meet only the most essential needs in the light of present conditions. As a result, cutbacks have been recommended in the veterans' hospital construction program, recommendations for new public works have been included only where it is not in the public interest to postpone them, as in the case of some power projects, and an increase in postal rates has been recommended to lower the postal deficit. Similar changes are reflected in other areas.

In addition, a great deal of effort has been devoted to achieving the economies which should be obtained through more effective organization and conduct of Government operations. There is no easy way of attaining this type of economy, but the size and complexity of our governmental activities require that we devote continuing attention to improving the management of the public business. Further, we must make it possible for responsible Federal executives to take the

actions which will lead to increased efficiency, economy, and closer coordination of activities.

To make more rapid progress toward this goal, to which I am firmly committed, this Budget includes a request for a management improvement fund of 1 million dollars to be appropriated to the President and utilized by him to carry on necessary and worthwhile management improvement activities. The Budget also reflects certain anticipated savings which should result from management improvement activities now under way.

To strengthen further the management of the Government, I am recommending the immediate enactment of legislation to increase the salaries of the heads and assistant heads of the departments and agencies. The Budget includes a tentative estimate of the funds needed to provide these increases. I also recommend that the Classification Act be revised to permit the payment of more realistic salaries to career employees and to correct the dislocations and inequities created in recent years. The Government and its employees should be assured that the salaries paid for positions at all levels are fair compensation for the work performed.

Fiscal prudence requires that we consider the Government's program, not on the basis of a single year alone, but in the light of the continuing national policies already adopted. It must be recognized that expenditures in the fiscal year 1951 are likely to be larger than those for 1950. Expenditures for national defense can be expected to rise substantially above the level estimated for 1950. We cannot expect any material decline in our international responsibilities. We must face squarely the fact that we foresee a deficit in the fiscal year 1950 under existing tax laws, even without any allowance for new military aid, and that even higher expenditures will probably be required in future years.

Furthermore, in the fiscal year 1950, the present large excess of receipts of trust accounts, with its anti-inflationary effects, will be sharply reduced by the scheduled payment to veterans of a dividend of about 2 billion dollars from the national service life insurance fund.

Finally, it must be apparent that in times like the present we must be in a position to make new plans if conditions change. I do not consider it prudent under such circumstances for the Government finances to be in unbalance, or even in precarious balance. In prosperous times like the present, we should take the necessary steps to reduce the public debt and place the Government finances on a sounder footing.

Therefore, I am recommending that the Congress enact new revenue legislation.

It is not an easy step for me to take to recommend new taxes. I do so with a double conviction, first, that under present circumstances a prosperous country cannot afford an unbalanced budget and second, that after thorough review of the cost of each Government program my recommendations represent a level below which our responsibilities will not permit us to go in the next fiscal year.

The Budget of the United States Government is large because its responsibilities are large. The Budget reflects the realities of our international position and our concern for a strong and progressive domestic economy. This Nation is today the strongest bulwark of freedom in the world. The decisions we make concerning our national finances must be based on a sober understanding of this fact.

BUDGET RECEIPTS

On the basis of existing tax legislation,

Budget receipts for the fiscal year 1950 are expected to total 41 billion dollars, an increase of more than a billion dollars over receipts in the current fiscal year. The estimates assume the continuance of full employment and approximately the current levels of economic activity.

Income taxes.—Income taxes on individuals and corporations are the major source of revenue of the Federal Government. Receipts from these taxes represent over two-thirds of Budget receipts at present.

The Revenue Act of 1948, passed over my veto, is causing a sharp reduction of individual income tax collections in the fiscal year 1949. Even though the continuation of the present high level of personal income is assumed, these receipts in the fiscal year 1950 will remain below the corresponding receipts in the fiscal year 1948.

Receipts from taxes on corporations are expected to increase substantially in the fiscal years 1949 and 1950. With the end of the war, the rates of these taxes were reduced and collections declined sharply from the high levels of the war years, but the general prosperity that followed the reconversion period has brought steadily rising profits and higher tax yields.

Excises and miscellaneous receipts.—Excise taxes and miscellaneous receipts are the other major sources of Federal revenue. Excise taxes are expected to continue the gradual upward trend of recent years, reflecting the continued high level of business activity. Miscellaneous receipts have been declining from the peak reached in the fiscal year 1947. The disposal of war surplus is nearing completion, and consequently by the fiscal year 1950 miscellaneous receipts will be approaching a more stable level.

Employment taxes.—The continuation of full employment brings gradually rising revenues from employment taxes. Furthermore, under existing legislation, the tax rate for railroad retirement increases in January 1949 and that for old-age and survivors insurance in January 1950. I recommend that the rate increase for the latter tax be moved forward to July 1949.

I have recommended programs of health and disability insurance and expansion of coverage for the social insurance programs now in operation. These measures would result at the outset in added collections of employment taxes greater than the added payments for benefits, but the funds would be transferred to trust accounts and would not appreciably affect Budget receipts.

Refunds.—This Budget reflects the recent change in Federal financial reporting, under which refunds of receipts are shown as deductions from receipts, rather than as expenditures. These refunds are not true operating costs of the Government but are for the return of overpayments of taxes and duties. Such refunds are exceptionally high in the fiscal year 1949, because of the unusual "over withholding" of individual income taxes for January through April 1948, resulting from the lower rates set retroactively by the Revenue Act of 1948. Interest paid on refunds continues to be shown as an expenditure.

RETIREMENT OF THE PUBLIC DEBT

The change in the Budget outlook in the last 12 months has meant a corresponding change in the rate of reduction of the public debt. Instead of the Budget surplus of nearly 5 billion dollars estimated last January for the fiscal year 1949, we now face a deficit of 600 million dollars. Accordingly, there will be no net reduction in the debt during fiscal year 1949, other than that made possible by a small reduction in the Treasury's cash balance during the year. The

BUDGET RECEIPTS

(Including proposed changes in employment taxes and miscellaneous receipts)

[Fiscal years. In millions]

Source	*1948 actual*	*1949 estimated*	*1950 estimated*
Direct taxes on individuals:			
Individual income taxes	$20,997	$18,530	$19,135
Estate and gift taxes	899	797	653
Direct taxes on corporations:			
Corporation income taxes	9,851	11,515	12,112
Excess profits taxes	323	194	140
Excises	7,402	7,715	7,900
Employment taxes:			
Existing legislation	2,396	2,610	3,324
Proposed legislation:			
Health insurance	.....	.....	260
Expanded coverage, old-age and survivors insurance	.....	.....	1,700
Customs	422	407	407
Miscellaneous receipts:			
Existing legislation	3,809	2,276	1,750
Proposed legislation	.....	.....	81
Deduct:			
Appropriation to trust funds:			
Existing legislation	1,616	1,754	2,420
Proposed legislation:			
Health insurance	.....	.....	260
Expanded coverage, old-age and survivors insurance	.....	.....	1,700
Refunds of receipts	2,272	2,709	2,097
Budget receipts	42,211	39,580	40,985

NOTE.—Payments of refunds of Government receipts are now reported as deductions from total receipts; previously, they were reported as expenditures. Overpayments by taxpayers are not true receipts of the Government nor are they, when refunded, properly chargeable as operating costs of the Government. Payments by wholly owned Government corporations and enterprises for retirement of capital stock and surplus, which were formerly reported as miscellaneous receipts, are also excluded from both receipts and expenditures, since they do not represent operating costs or true receipts of the Government. These improvements in reporting practice result in reducing Budget receipts and expenditures for each year by equal amounts, and therefore have no effect upon the amount of surplus or deficit.

debt on June 30, 1949 is estimated to be 251.6 billion dollars.

The major reason for the failure to achieve any sizable debt reduction in 1949 is the tax reduction enacted by the Eightieth Congress. The increase in taxes which I am recommending should permit us to make, in 1950, the minimum reduction consistent with responsible fiscal policy in prosperous times such as these.

BUDGET EXPENDITURES AND AUTHORIZATIONS

The complex Budget of the Government can best be summarized in terms of major functions. These major functions—national defense, international affairs and finance, veterans' services and benefits, and so forth—set forth the broad purposes for which the Government spends money, re-

BUDGET EXPENDITURES AND AUTHORIZATIONS BY MAJOR FUNCTIONS

[Fiscal years. In millions]

Function	*Expenditures*			*1950*	
	1948 actual	*1949 estimated*	*1950 estimated*	*Net new appropriations*	*Other authorizations*
International affairs and finance	$4,782	$7,219	$6,709	$6,349	.....
National defense	10,924	11,745	14,268	13,219	$2,455
Veterans' services and benefits	6,857	6,799	5,496	5,701	.....
Social welfare, health, and security	1,853	1,963	2,358	2,271	92
Housing and community facilities	82	349	388	227	1,987
Education and general research	75	85	414	452	18
Agriculture and agricultural resources	575	1,805	1,662	745	350
Natural resources	1,091	1,616	1,861	1,549	482
Transportation and communication	1,267	1,757	1,586	944	648
Finance, commerce, and industry	88	102	107	82	.....
Labor	183	184	187	187	.....
General government	1,504	1,187	1,224	1,160	7
Interest on the public debt	5,188	5,325	5,450	5,450	.....
Reserve for contingencies	.....	45	150	200	.....
Adjustment to daily Treasury statement basis	—388	.....	.....	.....	.....
Total	33,791	40,180	41,858	[1] 38,536	6,039

[1] In addition, this Budget includes 3,036 million dollars of appropriations recommended to liquidate prior year contract authorizations.

gardless of which department or agency carries them out. Estimated expenditures for the fiscal year 1950 of 41.9 billion dollars include all expenditures from the general and special accounts of the Treasury as well as the net expenditures of Government corporations and enterprises. They exclude expenditures made from trust accounts.

The full impact and direction of the Government's program cannot be measured in terms of expenditures alone in any one year. Many of the commitments made under the appropriations and other authorizations enacted by the Congress for any year do not result in expenditures until a later year. For example, of the estimated 1950 expenditures, 34 billion dollars will be made from new appropriations and authorizations recommended in this Budget, and 7.9 billion dollars will be made from those enacted in prior years.

In order to give a comprehensive picture of the financial requirements of Government programs, my Budget Message sets forth the net new appropriations and other authorizations requested. "Net new appropriations," totaling 38.5 billion dollars for fiscal year 1950, represent total appropriations requested (including permanent appropriations), less those to be used to liquidate prior year contract authorizations. "Other authorizations," totaling 6 billion dollars for fiscal year 1950, include contract authorizations which permit the placement of specific contracts but require later appropriations to liquidate these contracts, and special authorizations to use the proceeds of Treasury borrowing to finance certain types of Government programs. Together, "net new appropriations" and "other authorizations," totaling 44.6 billion dollars, represent the new obligational authority

recommended for carrying on the Government's business.

Specific Programs

The following sections describe in broad outline the Government programs in each of the major functional areas and the principal changes proposed in this Budget.

International Affairs and Finance

Two world wars and the years between have convinced the people of the United States that their security and well-being depend on conditions of peace and stability in the world. The complexity of the international postwar recovery problem and the tensions which make the transition to peace

International Affairs and Finance

[Fiscal years. In millions]

	Expenditures			*1950 net new appropriations*
	1948 actual	*1949 estimated*	*1950 estimated*	
Reconstruction and military aid:				
Economic Cooperation Act—ERP (existing and proposed legislation)	$154	$4,600	$4,500	$4,300
Other proposed aid legislation	.....	.....	355	600
Greek-Turkish Aid (acts of 1947 and 1948)	186	285	136	.....
Export-Import Bank loans	460	0	146	.....
Treasury loan to the United Kingdom	1,700	.....	.....	.....
Reconstruction Finance Corporation	4	—31	—35	.....
Foreign relief:				
Army (occupied areas)	965	1,265	1,030	1,000
Assistance to China (act of 1948)	1	350	49	.....
Other (mainly under Foreign Aid Act, UNRRA and post-UNRRA)	1,027	185	7	.....
Palestinian refugee program (proposed legislation)	.....	16	.....	.....
Displaced Persons Commission	.....	1	2	5
Foreign relations:				
Department of State:				
Present programs	144	171	171	160
Proposed legislation (mainly war damage claims)	.....	17	1	2
Other	5	7	4	1
Philippine war damage and rehabilitation:				
War damage claims (Philippine War Damage Commission)	23	171	165	165
Rehabilitation program	25	51	46	4
Interest on deposits (Treasury)	2	4	3	3
Participation in international organizations:				
International Refugee Organization	69	73	70	70
Other present programs	18	53	57	31
FAO building loan and ITO (proposed legislation)	.....	.....	2	8
Total	4,782	7,219	6,709	[1] 6,349

[1] In addition, this Budget includes 17 million dollars of appropriations recommended to liquidate prior year contract authorizations.

more difficult have deepened this conviction.

The fundamental objective of United States foreign policy is to achieve world peace and international security resting on the strength, mutual interests, and cooperation of free nations. The Budget reflects this policy in the funds provided for our participation in the United Nations and for the regular operations of the State Department and other agencies. But the instruments of our policy requiring the largest measure of budgetary support are the extraordinary programs of economic and military aid to those nations and peoples who share our international objectives and our determination to make them effective. Through all these means, we are acting to strengthen the great moral force of freedom on which we believe the advancement of people everywhere depends.

Total expenditures for international activities, exclusive of possible expenditures for a new program of providing military supplies to certain countries, are expected to be 6.7 billion dollars in the fiscal year 1950—a drop from the 7.2 billion dollars estimated for the fiscal year 1949. Expenditures for economic assistance may be expected to decline in subsequent years with continued progress toward world economic recovery. But any forward estimate of our international expenditures must be highly tentative in view of the present uncertain world situation.

Reconstruction and military aid.—Our aid to European recovery is the major program of economic assistance in which we are now engaged. Begun in April 1948, this program is expected to result in 4.6 billion dollars of expenditures in the present fiscal year, and 4.5 billion dollars in the fiscal year 1950—nearly 70 percent of our 1950 expenditures for international activities.

United States aid to western European countries and the mutual self-help which it has stimulated among them are already resulting in substantial progress toward economic recovery and political stability. The volume of production—both agricultural and industrial—is increasing as the months go by. This momentum must be maintained if the European economy is to become independent of extraordinary outside assistance by the target date of July 1952. To meet this objective, it is also extremely important for this Nation to undertake through such means as an extended and less restrictive reciprocal trade act, those adjustments in our foreign trade pattern which will help to bring about a higher level and a better balance of world trade.

Further authorizing legislation by the Congress will be necessary before the end of the current fiscal year in order to carry the European recovery program forward without interruption. By the end of December, authorizations issued to the European countries for procurement had nearly reached the limit set by the presently available Economic Cooperation Administration funds. The bulk of the commodities involved will be shipped by the end of March. This Budget accordingly anticipates a supplemental appropriation request for 1,250 million dollars for the remainder of the current fiscal year, in addition to the 4.3 billion dollar appropriation requested for the fiscal year 1950.

I recommend that, in extending the Economic Cooperation Act, the Congress eliminate the present legal requirement which in effect charges 3 billion dollars of the fiscal year 1949 expenditures for European aid against the fiscal year 1948 surplus. This wholly artificial bookkeeping shift in no way affects the Government's actual financial operations, but it does result in a distorted picture of the Budget surplus or deficit in these 2 years.

I have already referred to the prospective

North Atlantic arrangements, now under discussion. In addition, we are considering furnishing military supplies to certain countries in furtherance of our national security. As with the European recovery program, military aid will call for a large measure of mutual aid and self-help among the participating countries. Because of present uncertainty as to cost and timing, no amounts are included for this program in the Budget.

The scope and magnitude of several of our other current assistance programs cannot be accurately foreseen at this time. These now include aid to Greece, Turkey, China, and Korea. Funds are provided for assistance programs of this character in the Budget under "other proposed aid legislation," with appropriations tentatively estimated at 600 million dollars and expenditures at 355 million dollars for the fiscal year 1950. I shall recommend specific legislation and appropriations to the Congress at a later date.

The Export-Import Bank will continue to make loans in fiscal year 1950 for promoting international trade and economic development, particularly in Latin America. Net expenditures of the Bank in the fiscal year 1950 are expected to be relatively low because of rising collections on earlier loans and because our aid to Europe is now financed almost entirely from ECA funds. Mainly because of a large Canadian repayment, the Bank is expected to show no net expenditures in the current fiscal year.

Foreign relief.—Our principal foreign relief activities at the present time are those under the Army's program of government and relief in occupied areas—primarily Germany and Japan. Tentative estimates of about 1 billion dollars of appropriations and expenditures for fiscal year 1950 are included in this Budget—a substantial decline from 1949. These estimates include funds to continue the rehabilitation program now under way in Japan. With these additional sums for rehabilitation and with further ECA recovery aid for Germany in the next fiscal year, progress toward economic recovery in the occupied areas should continue, with a resulting further decline in expenditures in subsequent years.

Foreign relations.—The principal change contemplated in the program of the Department of State is the planned expansion of information and education activities. Expenditures for Foreign Service buildings are expected to decline, so that total expenditures for foreign relations activities are expected to be about the same in the fiscal year 1950 as in 1949. As part of our general program for improved Federal administration, provision is made for increased flexibility in management for the Secretary of State through the consolidation of appropriations. Amounts are included in this Budget to cover the cost of proposed legislation granting Foreign Service personnel pay raises similar to those given most employees under the Federal Employees Salary Act of 1948.

I am requesting legislation authorizing the payment of 17 million dollars in the fiscal year 1949 for payment of war-damage claims of neutral European countries.

Philippine aid.—Our assistance to the Philippine Republic in its recovery from war devastation is now at a peak level. Total expenditures for rehabilitation and for payment of war-damage claims are expected to decline slightly in the fiscal year 1950 and to fall much more sharply in the fiscal year 1951. In our veterans' program we are continuing to give compensation to disabled Philippine veterans who fought in our joint efforts against the Japanese. Provision for financing veterans' hospitals and medical services, authorized by recent legislation, are included in the reserve for contingencies,

pending the development with the Philippine Republic of detailed plans for carrying out this program.

International organizations.—Our contribution to the International Refugee Organization is estimated at 70 million dollars in the fiscal year 1950, approximately the same as in 1949. With the expected migration of refugees to the United States and other areas, the IRO program should be substantially completed by June 30, 1950. It is my hope that the present Displaced Persons Act will be speedily stripped of its restrictive and discriminatory provisions in order that we may make a contribution to this program more worthy of our best traditions. A tentative estimate of 16 million dollars for the fiscal year 1949 is also included in this Budget for our contribution to the United Nations' program of relief for Arab and other refugees from Palestine.

Outlays for our participation in other international organizations, including the United Nations, will continue in the fiscal year 1950 at about the same level as in 1949. A 1949 supplemental appropriation of 65 million dollars is included for the loan for the United Nations' headquarters construction. Tentative estimates are included in 1950 for a loan to the Food and Agriculture Organization for construction of a headquarters building, and for our contribution to the International Trade Organization.

NATIONAL DEFENSE

In my Budget Message for the fiscal year 1949 I indicated that in spite of the reduction of our armed services to a small fraction of their wartime strength, national defense still remained the largest single Government program. I further indicated that the funds recommended, about 11 billion dollars, provided for only the minimum national defense requirements.

Before the Congress could complete action on that Budget, the uncertainty of world conditions made it necessary to consider steps to develop additional military strength which would give evidence of continuing firmness in world affairs. Therefore, in an address to the Congress on March 17, 1948, I recommended the prompt enactment of universal training legislation and the temporary enactment of selective service legislation. Shortly thereafter, I recommended additional authorizations for national defense, bringing my total recommendations for fiscal year 1949 to more than 14.7 billion dollars.

Since then I have given continued study to our national security requirements for the present and the future. For the time being it is essential to continue the selective service process. However, this is not the solution to the Nation's long-range military manpower and training problem. Permanent legislation providing for universal training is essential if we are to achieve an acceptable degree of national security.

My Budget recommendations for national defense in the fiscal year 1950 are based on a plan for a national defense position of relative military readiness, coupled with a higher degree of mobilization preparedness. This type of military planning will permit us continuously to revise our tactics and develop our weapons to meet modern conditions, but is clearly consistent with our traditional concept of military strength for purposes of defense.

In arriving at my recommendations, I have had the benefit of the considered advice of civilian and military leaders best qualified to evaluate the international, strategic, and economic aspects of our national defense requirements. I believe that these recommendations reflect a proper relationship between our security requirements and our

economic and financial resources, and envision an Army, Navy, and Air Force in a condition of relative readiness, all functioning as an integrated team. Moreover, I am convinced that we should plan our military structure at this time so as to insure a balanced military program in the foreseeable future at approximately the level recommended in this Budget.

At the same time we must recognize that preparations for defense must be flexible, and not rigid. They must reflect changes in the international situation, changes in technology and in the economic situation. We must be in a position to alter our military programs as circumstances change.

The National Security Act of 1947 established an organizational framework better than we have ever had before and provided for a more flexible control and adjustment of our military program. The establishment of a Weapons Evaluation Board under the Secretary of Defense is an example of the type of development we are continuously making to achieve the best possible assignment of weapons and tasks among the military services. However, we have had enough experience under that act to recognize that further improvements need to be made which cannot be accomplished under existing law. Therefore, I expect to recommend certain changes in the National Security Act which will help to assure readjustments of our defense program as a whole and in all its parts as security requirements change.

The recommendations for the National Military Establishment for the fiscal year 1950 mark a beginning toward a national defense program in which our air, naval, and land forces plan and operate as a team under a unified strategic concept. The 1950 program gives priority to air power and to strengthening the civilian reserve components, and continues to emphasize research and development and industrial mobilization. The Budget provides for maintaining the necessary occupation forces in the former enemy areas for which satisfactory international settlements have not yet been worked out. The Budget also provides substantial amounts to continue the matériel improvement programs for which large authorizations were enacted under the augmented fiscal year 1949 Budget. Continuing expenditures will be necessary for an orderly replacement program in future years as existing inventories are used up and as matériel wears out or becomes obsolete.

Expenditures by the National Military Establishment for defense purposes in the fiscal year 1950 are expected to amount to somewhat over 13.1 billion dollars, including a tentative estimate of 385 million dollars for programs for which new authorizing legislation will later be requested. The stockpiling of strategic materials and other activities supporting defense are expected to require additional expenditures of about 530 million dollars. Furthermore, a tentative estimate of 600 million dollars has been added for the first year cost of universal training. (When in full operation this program may require expenditures of 2 billion dollars annually.) In total, the national defense budget I am recommending will require estimated expenditures of slightly less than 14.3 billion dollars in the fiscal year 1950, an increase of 2.5 billion dollars over the 1949 level. Somewhat higher expenditures are likely in subsequent years.

Net new appropriations and other authorizations specifically recommended in this Budget for the National Military Establishment in the fiscal year 1950 are 13.7 billion dollars. This total, however, includes an upward adjustment of 279 million dollars

NATIONAL DEFENSE

[Fiscal years. In millions]

Program or agency	*Expenditures*			*1950*	
	1948 actual	*1949 estimated*	*1950 estimated*	*Net new appropriations*	*Other authorizations*
National Military Establishment (excluding payments under Armed Forces Leave Act):					
Pay and maintenance of military personnel:					
Pay and allowances of regular personnel	$3,555	$3,434	$3,601	$3,596	.....
Pay of retired personnel	148	168	192	191	.....
Subsistence, travel, and other	1,192	1,407	1,359	1,488	.....
Civilian components	350	590	760	795	.....
Research and development	534	557	505	534	.....
Aircraft and related procurement	791	1,157	1,718	330	$1,992
Naval ship construction	271	309	406	5	[2] 47
Military public works construction	395	286	302	93	20
All other	3,316	3,422	3,908	4,317	.....
Tentative estimate for proposed legislation	.....	.....	385	645	185
Subtotal, National Military Establishment	10,552	11,330	13,136	11,994	[2] 2,244
Activities supporting defense:					
Universal training	.....	.....	600	800	.....
Stockpiling of strategic and critical materials (Treasury)	99	350	525	314	211
Payments under Armed Forces Leave Act	269	14	1	.....	.....
Reconstruction Finance Corporation	—66	—42	—39	.....	.....
Other	70	93	45	36	.....
Total	10,924	11,745	14,268	[1] 13,144	[2] 2,455

[1] In addition, the Budget includes 2,061 million dollars of appropriations recommended to liquidate prior contract authorizations and 75 million dollars to cover other prior year obligations.

[2] In addition, 279 million dollars is being made immediately available in the fiscal year 1949 to cover increased cost of completing authorized naval ship construction program.

for increased cost of the naval ship construction programs authorized in 1949 and prior years. In addition, 830 million dollars is provided as a tentative estimate for additional public works, for military pay adjustments, and for other special programs, dependent upon the passage of necessary enabling legislation. In all, 14.5 billion dollars of new obligational authority is provided for the National Military Establishment for use in the fiscal year 1950, an increase of 700 million dollars over amounts enacted for the fiscal year 1949.

Of the 13.7 billion dollars of specific recommendations for new obligational authority for the National Military Establishment, 11 million dollars is requested for the Office of the Secretary of Defense, 4.6 billion dollars for the Air Force, 4.5 billion dollars for the Army, and 4.6 billion dollars for the Navy, counting the upward adjustment for ship construction costs mentioned above.

In addition to the new obligational authority for the National Military Establishment, this Budget includes 525 million dollars of new authority for procurement of

critical and strategic materials, 36 million dollars for other defense-supporting activities, and a tentative appropriation estimate of 800 million dollars for the inauguration of universal training.

In all, new obligational authority for national defense programs of nearly 15.9 billion dollars is included in this Budget. This compares with 14.7 billion dollars for the fiscal year 1949, including 2.9 billion dollars made available in 1948, and also including tentative supplemental authorizations of 341 million dollars chiefly for stockpiling.

Of the 15.9 billion dollars, 13.2 billion dollars is requested in the form of appropriations and 2.7 billion dollars in contract authorizations. In addition, appropriations of 2.1 billion dollars are requested to liquidate prior year contract authorizations.

Military strength—Summary.—The requirements of the various services have been determined, not separately, but in relation to our total security position and the degree of military readiness which is planned. The basic concept upon which my recommendations are based is that this Nation's military security should rest on a nucleus of highly trained and mobile forces—Army, Navy, and Air—backed by ready reserves of trained men, stand-by equipment and productive facilities, and an integrated mobilization plan which relates our national security requirements to the tremendous productive capacity of American industry. Taken as a whole, the amounts recommended in this Budget will permit the maintenance and operation in the fiscal year 1950 of the augmented defense forces now reached under the increased 1949 Budget program.

Under this Budget, the Air Force in fiscal year 1950 will continue at about the present strength of 412,000 officers and men on active duty. It is contemplated that the Air Force will be organized with a minimum of about 48 combat groups and 10 squadrons, together with 27 groups of the Air National Guard. Within the limit of the funds provided, it is possible that adjustments in unit structure or strategic planning may at any time require changes in the number of active groups. At the end of fiscal year 1950, the Air Force program contemplates an active inventory of 9,200 aircraft of all types from trainers to heavy bombers. Increased funds in the Budget will permit the build-up of supporting forces in the Air National Guard to an average of 45,000 personnel and in the Air Force Reserve to 68,000 personnel in regular training status.

Personnel in the Army will be continued

MILITARY STRENGTH

[In thousands]

	Regulars and Reserves on full-time active duty			*Reserves in regular training status*		*Other Reserves*	
	Apr. 1, 1948	*Dec. 1, 1948 (est.)*	*1950 average (est.)*	*Dec. 1, 1948 (est.)*	*1950 average (est.)*	*Dec. 1, 1948 (est.)*	*1950 average (est.)*
Air Force	368	411	412	58	113	400	400
Army	538	662	677	375	555	650	650
Navy and Marine Corps	488	531	527	222	281	900	1,050
Total	1,394	1,604	1,616	655	949	1,950	2,100

NOTE.—The recommended strengths for all the services include 18-year-old 1-year enlistees and other personnel in training but exclude cadets and midshipmen at the Military and Naval Academies.

at 677,000 officers and men in order to maintain 10 divisions at increased strengths, together with 59 battalions. The active Army will be backed by the National Guard with an average strength of 325,000 personnel, an Organized Reserve of 230,000 in regular training status, as well as by other reserve personnel and equipment. Continuing responsibilities in the occupation of Germany, Austria, and Japan and in manning outlying bases will engage about 40 percent of the Army strength overseas in fiscal year 1950.

In the naval and marine forces a strength of 527,000 officers and men throughout the fiscal year 1950 is provided. The size of the active naval fleet is planned to be 731 ships, including 288 combatant ships. Its composition will be changed somewhat from the present fleet to accord with assigned functions and presently foreseen defense requirements. The active inventory of regular Navy and Marine Corps aircraft is expected to be 7,450 in the fiscal year 1950.

Under the reserve programs of the Navy and Marine Corps, 281,000 officers and men will be trained in 1950. Stand-by ships and matériel to augment the active Navy will remain available if needed.

Although present recruiting rates indicate that only small inductions, if any, will be necessary under Selective Service, it is essential that such authority remain available in the event that voluntary enlistments drop. Moreover, it must be recognized that the existence of the Selective Service Act has in itself been a contributing factor to the current results of the recruiting programs of the services.

Pay and maintenance of military personnel.—The pay and maintenance for the average of 1,616,000 officers and men on active duty in the fiscal year 1950 will require estimated expenditures of 5 billion dollars, 38 percent of all defense expenditures by the National Military Establishment. Expenditures for pay, allowances, subsistence, travel, welfare, training, clothing, and medical care will average about 3,100 dollars per man in the fiscal year 1950.

The increases in rates of military pay and allowances in 1942 and 1946 did not provide a balanced pay structure for the military services. A general overhauling of the military pay, allowance, and benefit structure is overdue. Since it is desirable for remuneration of military personnel to be in line with salaries of Federal civilian employees and other comparable groups, a tentative amount for this adjustment has been included in the Budget, pending later legislative recommendations.

Civilian components.—Our concept of national defense places important reliance upon the readiness of citizen-soldiers. This Budget provides for larger and better-trained reserves for the Air Force, Army, and Navy. Expenditures for civilian components in the fiscal year 1950, exclusive of amounts for construction of facilities, are estimated at 760 million dollars, 30 percent above outlays in the present year and more than twice the amount spent last year. These expenditures cover drill and training pay and maintenance of reservists, operating expenses, and procurement of equipment over and above amounts transferred from wartime stocks.

The Budget recommendations of 795 million dollars of obligational authority for the fiscal year 1950 contemplate expansion of the reserve programs in 1950 and in later years toward the objectives outlined in my recent Executive order. Such expansion is planned at as rapid a rate as is consistent with sound organization, economical operation, and effective integration with the regular forces. The funds recommended for 1950 will permit an average of 949,000 officers and men in regular training status in air, naval, and

ground units, as compared to 655,000 now participating.

Research and development.—Scientific and technical advances are vital to a dynamic national defense program. To develop improved weapons and equipment and add to our basic knowledge, new appropriations of 534 million dollars are recommended for direct costs of research and development for the fiscal year 1950. This amount does not include substantial outlays for indirect costs such as the pay and maintenance of military personnel engaged in research and development activities, and the construction and maintenance of facilities.

Direct expenditures for research and development in the fiscal year 1950 are estimated at 505 million dollars. This is somewhat below the estimate for the fiscal year 1949, when payments for programs initiated at the end of the war will be completed. About one-half of the expenditures for research and development will be for aeronautical research and development.

Aircraft and related procurement.—For the fiscal year 1949, 2.8 billion dollars of new obligational authority was provided for aircraft and related procurement, of which 2.0 billion dollars for the Air Force was made available for obligation until the end of 1950 and included some amounts for nonrecurring expenses.

It is estimated that 3.2 billion dollars in unexpended authorizations from 1949 and prior years will be carried forward to the fiscal year 1950. New obligational authority of 2.3 billion dollars is recommended for the fiscal year 1950 to permit contracts for approximately 34 million airframe pounds. This will make a total of 5.5 billion dollars in aircraft and related equipment to be delivered and paid for in 1950 and subsequent years.

Expenditures for aircraft and related procurement in the fiscal year 1950 are estimated at 1.7 billion dollars, about 500 million dollars more than in the present year. Deliveries of 37 million airframe pounds are now scheduled for fiscal year 1950 and are expected to be slightly higher in fiscal year 1951.

Aircraft from wartime reserves will continue to meet a part of the replacement requirements in fiscal year 1950. In subsequent years, when these reserves are depleted, an increase in aircraft procurement may be required if the strength and structure of the Air Force and naval aviation are to be maintained at the level and replacement rates contemplated in this Budget.

Naval ship construction.—Expenditures for naval ship construction in fiscal year 1950 are estimated to be 406 million dollars, an increase of about 100 million dollars over the estimate for 1949.

Including the construction in fiscal year 1949, more than 1 billion dollars of naval ship construction, under present authorizations, will remain to be completed in fiscal year 1950 and later years. I am including in the Budget 279 million dollars to cover increased costs of completing the present construction program, with some readjustment in types of ships to be built. In addition, I am requesting 52 million dollars of new authorizations for certain ships which will be substituted for some of those previously authorized.

Military public works construction.—Expenditures for military public works construction by the Air Force, Army, and Navy in the fiscal year 1950, under existing legislation, are estimated at about the current level of 300 million dollars. This construction is largely for research and development facilities and badly needed housing for troops and dependents, both in the United States and overseas. This Budget recommends

new obligational authority for the fiscal year 1950 of 113 million dollars for projects for which legislative authorization exists.

There are, however, additional requirements for family housing, for research and development facilities, and for other military construction which are not yet authorized. A tentative estimate for these additional military public works is included in the Budget, pending the enactment of authorizing legislation.

All other military expenditures.—The remaining expenditures of the National Military Establishment in fiscal year 1950, are estimated at 3.9 billion dollars compared with 3.4 billion dollars in 1949. These expenditures cover the procurement of other matériel (in addition to aircraft and ships), supplies, and services. The largest part of these expenditures will be for civilian workers engaged in production, maintenance, and administrative activities, both overseas and in the United States. Of all Federal civilian employees, approximately 865,000, or about 40 percent, will be employed in defense activities by the National Military Establishment.

Expenditures for procurement of equipment (exclusive of aircraft and ships), particularly for the Army, will increase in the fiscal year 1950 as deliveries on 1949 contracts are made, even though new obligations for this purposes in 1950 will be lower. Expenses of maintaining and operating facilities and equipment including aircraft will also increase over the 1949 level, largely in the Army and Air Force.

Increased emphasis has been given to industrial mobilization preparedness in the Budget for the National Military Establishment with the recommendation of appropriations of approximately 129 million dollars for fiscal year 1950 as contrasted with 57 million dollars provided for 1949. In addition to making provisions for the continued maintenance of tools and industrial plants held in stand-by status, the programs for industrial mobilization planning with industry and within the military establishments are being increased. Added emphasis is being given to coordinating the cataloging of supply items among the military services, and a greater integration of current procurement with industrial mobilization plans.

Stockpiling and other defense activities.—The aim of the stockpiling program is to provide a basic reserve of materials in which accessible resources are deficient, thereby permitting a rapid and sustained economic mobilization in the event of emergency. Stockpile procurement continues to be hampered by materials shortages and rising prices, since it must meet the competition of current industrial consumption, including that for military purposes. However, the concentration of procurement on the more urgently required materials should permit us to make substantial progress toward our goal of a reasonably adequate stockpile with minimum effect on current consumption.

Toward the stockpile goal, this Budget recommends 525 million dollars of new obligational authority for the fiscal year 1950 and supplemental authorizations of 310 million dollars for the present fiscal year. Of these amounts 211 million dollars for 1950 and 270 million dollars for 1949 are in contract authorizations to be used primarily for developmental contracts. A total of 800 million dollars in obligational authority has already been enacted in the last 3 years. In addition, by the end of fiscal year 1950, materials valued at about 700 million dollars will have been transferred to the stockpile from war surplus inventories and from Economic Cooperation Administration operations. Of the total stockpile objective of 3.7 billion dollars, materials and authorizations

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amounting to 2.3 billion dollars will have been provided.

Deliveries and expenditures, of course, will lag behind authorizations. Expenditures in the fiscal year 1950 are estimated at 525 million dollars, an increase of 175 million dollars in outlays over the current year. By the end of the fiscal year 1950, materials valued at about 1.6 billion dollars are expected to be on hand.

The stockpile represents an addition to the supplies obtainable in an emergency from domestic production and imports from protected sources. The recommended authorizations will permit the stockpile to be built up to the point at which, with the aid of prompt and effective allocations, a comparatively high degree of protection will be afforded to our economy in the event of emergency.

Expenditures for all other defense programs, including expenses of the Selective Service System, maintenance of reserve industrial plants by the Federal Works Agency, and by other agencies, are estimated at 46 million dollars in the fiscal year 1950. On the other hand, net receipts of 39 million dollars are estimated in the Reconstruction Finance Corporation defense program.

VETERANS' SERVICES AND BENEFITS

As a nation we have sought to give our veterans opportunities to work, to earn, and to recapture the normal pattern of their lives. In addition to our general programs for full employment, increased health services, improved housing and greater security for all, we have provided an extensive program of special benefits and services to veterans and their dependents.

The extent and scope of constructive measures to assist veterans of our earlier wars to return to useful civilian life were limited. Too often prior to World War I our country belatedly attempted to discharge its obligation to veterans merely by bestowing upon them pensions and gratuities. In contrast, servicemen of World Wars I and II have received more timely and better treatment both in the service and out. Improved medical and hospital care, insurance benefits, vocational rehabilitation, compensation, and other benefits have been provided to disabled servicemen or to the dependents of the deceased. Servicemen of World War I received adjusted compensation, while World War II veterans are receiving readjustment benefits to assist them in obtaining education, training, jobs, businesses, and homes.

At the present time our expenditures for veterans' programs are declining as readjustment benefits for World War II servicemen fall off. However, the long-run trend of compensation and pension costs and of hospital and medical care is gradually upward. This means that over-all expenditures under present legislation will remain high even after the completion of the temporary programs under the Servicemen's Readjustment Act.

The program of veterans' services and benefits should reflect the fundamental fact that our primary long-run obligation is to dependents of veterans deceased from service causes and to veterans disabled in the service. In the fulfillment of these obligations we have two basic purposes. The first is to alleviate financial hardship to dependents of veterans deceased from service causes. The second is to help veterans surmount the physical and economic handicaps of their service disabilities. At the same time, we should preserve and stress our basic objective of assisting the recipients of these benefits to be as nearly as possible self-reliant and self-sustaining members of our society.

The necessity for new or extended benefits

for veterans without service disabilities should be judged, not solely from the standpoint of service in our armed forces, but in the light of existing social welfare programs available to all, veterans and nonveterans alike. In recent years social security protection, including unemployment and old-age and survivors insurance and old-age assistance, has been made available to a large percentage of our general population. Prior to World War I the lack of such general benefits was, of course, one of the main reasons for the enactment of special benefits to veterans. At the present time we seek to broaden and extend these social security programs and to enact a comprehensive national health and disability insurance program for all our people, including veterans, who with their immediate families will soon constitute 40 percent of the population.

Total expenditures for veterans' benefits and services are expected to be 5.5 billion dollars in the fiscal year 1950, about 1.3 billion dollars below estimates for the current fiscal year. This drop reflects the virtual completion of unemployment and self-employment allowances, an expected sharp decline in educational training programs, and the inclusion in the fiscal year 1949 of a nonrecurrent payment to insurance trust funds. Even at the expected lower level, expenditures for veterans' programs will still comprise more than one-eighth of the total Budget.

Readjustment benefits.—The readjustment program has provided valuable educational and other opportunities to veterans of World War II. It is estimated that by the end of the fiscal year 1950, 6,000,000 veterans will have used education and training bene-

VETERANS' SERVICES AND BENEFITS

(*Excluding trust accounts*)

[Fiscal years. In millions]

Program or agency	*Expenditures*			*1950 net new appropriations*
	1948 actual	*1949 estimated*	*1950 estimated*	
Readjustment benefits (Veterans Administration):				
Education and training	$2,497	$2,481	$1,993	$2,552
Unemployment and self-employment allowances	677	424	78	
Loan guarantees	64	48	48	
Other	75	88	80	
Pensions (Veterans Administration)	2,080	2,140	2,111	2,221
Insurance (Veterans Administration)	151	488	62	77
Hospitals, other services, and administrative costs:				
Construction:				
Veterans Administration	17	56	81	.....
Corps of Engineers (Army, civil functions)	36	127	179	
Federal Works Agency	53	3	1	
Current expenses:				
Veterans Administration:				
Hospital and medical care	536	597	574	567
Other activities	377	345	287	282
All other agencies	4	2	2	2
Total	6,567	6,799	5,496	5,701

fits, more than 9,000,000 will have received unemployment and self-employment allowances, and nearly 2,000,000 will have obtained loan guarantees for homes and businesses. By the end of the fiscal year 1950 total outlays under the Servicemen's Readjustment Act since 1945 will have exceeded 13 billion dollars.

Enrollment in school, job, and farm training courses is estimated to decline to 1,575,000 in 1950 from this year's average enrollment of 2,000,000. In 1950 more than two-thirds of the participants in this program will be in on-the-job, on-farm, and below-college-level training, while less than one-third will be in colleges and universities. Total expenditures, estimated at approximately 2 billion dollars in the fiscal year 1950, reflect the increased rates of subsistence allowances enacted in the last session of the Congress.

I am recommending reenactment in its present form of the provision of the 1949 appropriation act prohibiting the use of funds for avocational and recreational training. This constructive action on the part of Congress in eliminating expenditures for courses which are inconsistent with the basic purpose of the Servicemen's Readjustment Act is expected to save more than 50 million dollars this year.

Under present law only a small number of veterans will be eligible for unemployment and self-employment benefits after July 25, 1949. The average number of claimants to be paid in these two programs during the fiscal year 1950 is estimated at 74,000 as compared to about 400,000 in the fiscal year 1949. Expenditures decline correspondingly to 78 million dollars. By the end of the fiscal year 1950, aggregate outlays for veterans' unemployment and self-employment benefits, since 1945, will have exceeded 3.5 billion dollars.

Under the loan-guarantee title of the Servicemen's Readjustment Act, veterans obtained loans amounting to 7.4 billion dollars up to June 30, 1948, more than nine-tenths for homes, and the rest for farms and businesses. About 45 percent of this total is guaranteed or insured by the Government. Recent experience has shown a decline in the number of loans guaranteed. The estimates assume 322,000 loans in the fiscal year 1949 and 293,000 in 1950.

Pensions.—It is estimated that an average of 2,968,000 individuals and families will receive compensation and pension payments in the fiscal year 1950, an increase of 52,000 over the number for the present year. About one-fourth of these payments involve non-service-connected death or disability. The 1950 expenditure estimate of 2.1 billion dollars for pensions includes 1.4 billion dollars in compensation for service-connected cases, and 500 million dollars in pensions for non-service-connected cases. It also includes 180 million dollars for subsistence allowances to service-disabled veterans in training, a decline of 70 million dollars from the present year. These expenditures reflect the increased rates of compensation enacted by the last Congress for dependents of veterans deceased or disabled from services causes.

Insurance.—The Government contributes to the veterans' life insurance funds for war hazard claims. Budget expenditures for veterans' insurance, largely for such contributions, are estimated at 62 million dollars in fiscal year 1950. A tentative estimate of 413 million dollars is included for an additional contribution to the national service life insurance fund in the fiscal year 1949. This large non-recurring item in the present year results from a re-evaluation of the Government's liability for war risk claims.

Hospital and domiciliary construction.—

The construction program under which the Veterans Administration has been proceeding was planned and authorized during and immediately after the war. Now that we have the benefit of a period of postwar experience, I have reviewed the veterans' hospital and domiciliary construction program and find that to continue with the construction of the full number of 90 authorized hospitals will result in a serious overbuilding, in terms of beds needed to meet foreseeable requirements. A reduction in the program will still make it possible to provide for all service-connected patients in every geographical area and will provide an even more liberal allowance of beds for non-service-connected patients than at present.

I have therefore directed that the program which I had previously authorized be curtailed by approximately 16,000 beds and asked the Administrator of Veterans Affairs to recommend specific adjustments in the program. I have approved his recommendations for the cancellation of 24 hospital projects, and the reduction in planned capacity of 14 additional hospitals. This will result in a reduction of 279 million dollars in the total of 1.2 billion dollars of construction previously authorized, and will reduce expenditures in the fiscal year 1950 by 115 million dollars. However, hospitals scheduled for completion will cost 42 million dollars more than originally estimated. Therefore, a net rescission of 237 million dollars in contract authorizations is recommended. Under this revised program, expenditures in the fiscal year 1950 for construction of hospital and domiciliary facilities are estimated at 260 million dollars, an increase of 77 million dollars over the fiscal year 1949, due to the progress of construction already under way.

Hospital and other services and administration.—Current expenses for hospital and medical care are estimated at 574 million dollars in the fiscal year 1950, 23 million dollars less than the peak expenditure in 1949. This decline reflects largely a downturn in the out-patient medical care program and increased use of excess supplies now in stock. Expenses of the in-patient care program will increase. The 1950 estimates provide for an average daily patient load of about 140,000, an increase of 4,000 over the current year.

Other current expenses, which are chiefly the costs of administering the nonmedical benefit programs of the Veterans Administration, continue to decline in line with work loads.

Trust accounts.—Veterans of the two World Wars hold 7,500,000 active policies

VETERANS' LIFE INSURANCE FUNDS

(*Trust accounts*)

[Fiscal years. In millions]

Item	*1948 actual*	*1949 estimated*	*1950 estimated*
Receipts:			
Transfers from general and special accounts	$145	$482	$56
Premiums, interest, and other	677	712	745
Total	822	1,194	801
Expenditures for benefits, refunds, and other (deduct)	377	381	2,421
Net accumulation	445	813	—1,620

under the Government life and national service life insurance programs. Premiums and earnings, supplemented by Government contributions to cover claims involving war risks, have built up substantial accumulations in these trust funds.

Assets of the national service life insurance fund will reach an estimated 7.7 billion dollars in the current fiscal year. The Government contributions anticipated for the fiscal years 1949 and 1950 will bring total Government contributions to the national service life insurance fund to over 4 billion dollars.

An initial dividend estimated at about 2 billion dollars is scheduled for payment during the fiscal year 1950 to all servicemen who hold or have held national service life insurance. The Veterans Administration is now reviewing insurance records to determine the status of the fund, after which the amount of the dividend and the method of payment can be decided.

SOCIAL WELFARE, HEALTH, AND SECURITY

In the last 15 years the Federal Government has established a basic pattern of activities in the field of social welfare, health, and security. The national system of old-age and survivors insurance, the system of regular grants to States for public assistance payments to the needy aged and blind and to dependent children, the Federal-State system of unemployment insurance, and several grant programs for the promotion of public health and of children's welfare were established by the Social Security Act of 1935. More recent laws established the railroad retirement system and grants to States for the school lunch, hospital construction, and mental health programs. Also included in the Government's social welfare, health, and security programs are the older system of grants to States for vocational rehabilitation, and those Federal services directed toward the prevention of crime and the apprehension and detention of criminals.

Under the Social Security Act, the national policy contemplated that old-age and survivors insurance would be the primary Government measure affording economic protection to the needy aged and dependent children, and that unemployment compensation would provide temporary assistance to the unemployed. Other types of social insurance were to be added later to provide more adequate protection against major economic hazards of our society. Public assistance was designed as a backstop, a second line of defense, eventually to be replaced in large measure by social insurance benefits. We have not made progress toward this objective in the last decade. Individual benefit payments under public assistance now are substantially higher than under old-age and survivors insurance. They are more adequate, in many cases, than under unemployment insurance.

Three principal steps should be taken now to strengthen and complete the system of social insurance, and thereby to make our governmental programs consistent with the basic national policy in this field.

First, old-age and survivors insurance should be extended to nearly all the 25 million gainfully employed persons not now covered; the scale of benefits should be sharply raised; benefits should be provided for women at an earlier age; and higher part-time earnings should be permitted. (In addition, coverage under the unemployment compensation system should be extended and benefits made more adequate, as indicated in the "Labor" section of this Message.)

Second, disability insurance should be provided to protect against loss of earnings during illness or other temporary disability,

and to assure continuing annuities to workers who become permanently disabled and therefore unable to earn a livelihood.

Third, a comprehensive national health program should be established, centering in a national system of medical care insurance, accompanied by improved services and facilities for public health and medical care.

These recommendations have had extended public discussion. Action is long overdue. I am confident that the Congress will enact promptly the legislation needed to achieve an integrated, comprehensive system of social insurance. In addition, I repeat my recommendation that the Congress give departmental status to the Federal Security Agency.

The needed legislation includes not only measures to establish administrative procedures and authorize benefit payments, but also provisions for financing them. At present, workers and employers each contribute to the old-wage and survivors insurance fund at a rate of 1 percent of the covered pay roll. Under present law, this rate will advance on January 1, 1950 to 1½ percent each for employers and workers. The tax applies only to the first 3,000 dollars of earnings of each employee in any year, and earnings in excess of that amount are not counted in calculating the retirement benefits. My recommendations contemplate raising the tax rate on presently covered employment on July 1, 1949, the date when increased benefits should be made available. In addition, I propose that we raise the ceiling on taxable earnings, as well as extend the pay-roll tax to workers and employers not now covered. The addition of insurance coverage for medical care and disability benefits will also require some additions to the pay-roll tax rates in order that the whole social insurance system will continue to be substantially self-supporting.

The financial impact of these recommendations is mainly in the trust accounts. For the fiscal year 1950, benefit payments and administrative expenses from the major trust accounts in the field of social welfare (other than unemployment insurance) are estimated at 1.3 billion dollars under existing laws. Under the legislation which I recommend, these payments would be doubled. Apart from this new legislation, they would rise by more than 100 million dollars above the total for the current fiscal year.

The total of Budget expenditures for social welfare, health, and security also is expected to rise in the fiscal year 1950, to nearly 2,358 million dollars, exclusive of expenditures from trust accounts. The increase over the fiscal year 1949 is 394 million dollars, of which 147 million dollars is in transfers to the railroad retirement trust account and 86 million dollars is for increased grants to the States for public assistance under present Federal law. Most of the remainder of the increase is divided between present programs for the promotion of public health and proposed new legislation for medical care insurance and public assistance.

Excluding trust-account transactions, new appropriations requested for social welfare, health, and security for the fiscal year 1950 are estimated at 2,271 million dollars. In addition, 92 million dollars of new contract authority will be needed, making a total of 2,363 million dollars of new obligational authority for these programs. This does not include 40 million dollars of appropriations necessary to liquidate contract authority made available in prior years, mainly for hospital construction grants. Of the new appropriations in Budget accounts, 84 million dollars is for proposed legislation. All the rest is for programs under present laws.

Public assistance to the aged and other special groups.—The public assistance pro-

SOCIAL WELFARE, HEALTH, AND SECURITY

(Excluding trust accounts)

[Fiscal years. In millions]

Program or agency	*Expenditures*			*1950*	
	1948 actual	*1949 estimated*	*1950 estimated*	*Net new appropriations*	*Other authorizations*
Assistance to the aged and other special groups:					
Federal Security Agency:					
Public assistance:					
Present law	$733	$977	$1,064	$1,059	.....
Proposed legislation	.....	.....	65	65	.....
Vocational rehabilitation and other programs	27	23	23	23	.....
School lunch (Department of Agriculture)	68	75	75	75	.....
Retirement and dependents' insurance:					
Railroad Retirement Board	763	569	716	716	.....
Federal Security Agency and other	3	5	9	9	.....
Promotion of public health:					
Federal Security Agency:					
Present programs	135	177	234	174	$91
Medical care insurance system (proposed legislation)	.....	.....	15	15	.....
Federal Works Agency and other	11	21	35	12	.....
Crime control and correction (Department of Justice and other)	84	90	91	92	1
Other programs:					
Present programs (Federal Security Agency and other)	28	26	27	26	.....
Federal Security Agency, change in employees' accident compensation rates (proposed legislation)	.....	.....	4	4	.....
Total	1,853	1,963	2,358	[1] 2,271	92

[1] In addition, this Budget includes 40 million dollars of appropriations recommended to liquidate prior year contract authorizations.

NOTE.—The Federal-State system of unemployment compensation and the Federal system of railroad unemployment insurance, formerly included in this category, are now reclassified under Labor.

grams of the Federal Government are all carried on in cooperation with the States, and the expenditures are almost entirely in the form of grants to State governments.

By far the largest amounts are for assistance to the aged, the blind, and dependent children, for which Federal Government expenditures under present laws are estimated at 1,064 million dollars in the fiscal year 1950. Each State determines its own scale of benefits to individuals in these public assistance categories, and the Federal Government reimburses the States for from 50 to 75 percent of the payments in each case, up to maximum individual benefit rates specified in the Federal law. The level of these matching payments was raised by action of the last Congress.

Because of this grant arrangement, the amount of Federal expenditure for public

assistance in any one year is not directly subject to Federal budgetary control, but is determined by the action of the several States in fixing benefit rates and approving individual claims for assistance. The total amount of Federal expenditures has steadily increased as the rising cost of living has compelled the States to give more assistance and the number of needy aged persons in our population has continued to rise. This increase in public assistance expenditures would be slower, and should ultimately be reversed, if other contributory insurances are made adequate to carry most of the load.

The Budget includes 65 million dollars as the tentative estimate of first-year expenditure under proposed legislation to improve the present public assistance system and to help cover State relief payments to persons not now eligible for assistance from Federal grants.

Railroad retirement insurance.—The expected rise in transfers to the railroad retirement trust account, from 565 million dollars in this fiscal year to 716 million dollars in 1950, reflects mainly a statutory increase in the tax rate, which has just become effective, and the continued rise in railroad pay rolls.

The estimates for 1950 assume favorable legislative action on several proposed changes in the timing of transfers from Budget accounts to the trust accounts. These relate to Federal Government payments for military service credits, administrative expense appropriations, and the transfer of the special railroad taxes to trust accounts. The changes would not affect the benefit rights of any individual or the tax liabilities of any employer.

Good budgeting requires that the law be revised so that payments by the Federal Government to the railroad retirement trust fund on account of military service credits allowed to railroad employees may be made annually in the years ahead on the basis of the actuarial value of claims actually approved as workers retire. As the law now stands, these payments are to be made in advance, without adequate relationship to eventual requirements for actual benefits. We have already advanced 160 million dollars to the trust fund to cover such future claims. Unless the law is amended, a further transfer of about the same amount may be required in the fiscal year 1950, and this would have to be added to the total of Budget expenditures.

Good budgeting requires also that the railroad retirement tax be transferred to the trust fund as it is collected, rather than on the basis of annual specific appropriations in advance of collections, as is the present practice. The estimates assume that an annual indefinite appropriation will be substituted, and also that the administrative expense appropriations will be consolidated and financed directly from the trust account.

Public health.—Federal expenditures for public health purposes comprise substantial grants to State and local governments to help them combat disease and to meet part of the cost of new hospitals, as well as expenditures for direct Federal operations.

For the fiscal year 1950, I am recommending appropriations sufficient to double the general health grants to States, raising them to 22 million dollars, in order that the States in turn may extend and strengthen local health services. These stronger health services are an essential part of our national health program. I recommend that the present statutory limitation on the amount of such general health grants to States be removed from the Public Health Service Act, so as to authorize in later years the provision of larger amounts for the further improvement and expansion of local public health services. It is clearly more desirable

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to follow this course than to add new and separate grant programs or to continue to expand existing specialized health programs.

The estimates for 1950 provide for continuing at about the 1949 level the grants to States for specialized health programs, such as venereal disease and tuberculosis. Provision is made for new grants under the National Heart Act of 1948 and for grants for initial surveys under the Water Pollution Control Act of 1948. The Federal-aid hospital construction program will require additional contract authority to maintain the current limited volume of new hospital building.

I have included in Budget accounts for the fiscal year 1950 a tentative estimate of 15 million dollars for initial expenditures for inaugurating the system of medical care insurance.

New facilities for medical and related research to be carried on directly by the Public Health Service are in process of construction. As these are completed and staffed, we shall achieve a substantial expansion of specialized types of research which will contribute significantly to the health and longevity of our people.

Crime control and correction.—The work load of the Federal Bureau of Investigation is expected to continue at a high level in the fiscal year 1950, largely because of investigations of personnel employed in atomic energy work and international activities and the strengthening of the internal security program. A decline is expected in the inmate population of Federal prisons, and this will permit some reduction in staff, but the saving will be partly offset by higher per capita costs for care of prisoners.

Federal employees' accident compensation.—Expenditures under the Federal Employees' Compensation Act of 1916, as amended, are estimated for the fiscal year 1950 at 9 million dollars more than in 1949, but the increase is wholly for war claims payments to American citizens abroad who were injured or suffered damage from wartime enemy actions. These payments will be covered by some of the proceeds of certain enemy-owned property.

Compensation payments to Government employees injured and to dependents of those killed in line of duty will continue under present law at about 14 million dollars a year. The benefit rates have not been changed since 1927. They are now quite inadequate. I recommend that these benefit rates be liberalized. The Budget includes a tentative estimate of 4 million dollars for this proposed legislation.

Trust accounts.—As I emphasized in a message to the Congress last May, this period of high employment and earnings offers a particularly opportune time for strengthening and broadening our social insurance system. At such a time, our people are best able to begin providing for protection against the major economic hazards to which everyone is exposed. Although the recommended improvements will mean an immediate large increase in benefit payments, they will also result at the outset in a sizable increase in savings held in the social insurance trust accounts. This will help to reduce inflationary pressures and build a cushion of consumers' purchasing power against possible future recession.

Despite benefit payments of more than 1.3 billion dollars under present laws, the major trust funds for social welfare, health, and security for the year are expected to add 3.0 billion dollars to their assets during the fiscal year 1950. This will bring the aggregate assets of these funds above 19 billion dollars. The legislation I have recommended will add an estimated 460 million dollars to these assets in the fiscal year 1950.

SOCIAL WELFARE, HEALTH, AND SECURITY

(Major trust accounts)

[Fiscal years. In millions]

Fund and item	*1948 actual*	*1949 estimated*	*1950 estimated*
Federal old-age and survivors insurance trust fund:			
Receipts:			
Appropriation from general receipts	$1,616	$1,754	$2,420
Interest and other	191	231	266
Proposed legislation extending coverage, raising tax base, and adding disability benefits	.....	.....	1,700
Payments of benefits and administrative expenses (deduct):			
Existing legislation	559	656	745
Proposed legislation	.....	.....	1,500
Net accumulation (including proposed legislation)	1,248	1,330	2,141
Railroad retirement account: [1]			
Receipts:			
Transfers from Budget accounts	758	565	716
Interest on investments	39	51	62
Payments of benefits, salaries and expenses (deduct)	222	289	317
Net accumulation	575	327	461
Federal employees' retirement funds:			
Receipts:			
Salary deductions and transfers from Budget accounts	486	566	693
Interest	108	120	139
Payments of annuities and refunds, and expenses (deduct)	244	274	277
Net accumulation	350	412	555
Medical care insurance trust fund (proposed legislation):			
Receipts from pay-roll contributions	.....	.....	260
Payments for benefits (deduct)	.....	.....	.....
Net accumulation	.....	.....	260

[1] Adjusted for proposed changes in legislation.

The trust account assets are invested in Government securities, and the interest earnings are added to the principal of each trust fund. Although all benefits are paid directly from these accounts, the handling of contributions varies. Pay-roll tax collections under the railroad retirement system are included in Budget receipts and the transfers to the trust account appear as Budget expenditures. Proceeds of the pay-roll tax for old-age and survivors insurance are transferred to the trust account without affecting expenditures; this transfer is made through a deduction from receipts and an equal credit to the trust account. Amounts withheld from the salaries of those Government employees covered by Federal employees' retirement acts, as their payments to the retirement funds, are credited directly to the trust accounts.

HOUSING AND COMMUNITY FACILITIES

The objective of the Federal housing program is to improve the housing standards of the Nation and, in particular, to help low-income and moderate-income families obtain more adequate housing in a suitable community environment. To this end the Federal Government provides a wide variety of financial aids for both private and public housing construction, as well as research and other assistance on cost reduction.

In the past 3 years, housing construction has risen to the level it took 6 years to reach after World War I. Conversions of older houses have also increased the housing supply, and extensive repairs and modernization have improved housing standards. As a result, many of the most acute emergency needs, especially of veterans, have been met, and the number of families compelled to live with others or to make other temporary arrangements has been reduced.

Despite these encouraging gains, we still have a long way to go. The programs recommended in this Budget, both under existing and proposed legislation, are directed primarily towards improving the housing of low- and moderate-income groups. These programs emphasize lowering of housing costs and production of rental housing, and provide continued preference for veterans' housing requirements.

Research in costs and markets.—Basic to the entire housing program, both private and public, is the use of all available methods to lower construction costs. Technical research on the limited basis authorized by the Housing Act of 1948 has already begun. More extensive technical research, and analysis of housing markets and land-use, which would be authorized in the further legislation which I have recommended, are needed to assure effective use of both private and public funds in meeting our housing needs. The Housing and Home Finance Administrator will take the leadership in bringing potential cost reductions to the attention of industry and of State and local agencies in the form most useful to them.

A census of housing should again be authorized as part of the regular decennial census in 1950. Such a census would provide comprehensive and up-to-date information needed by both private industry and public agencies.

Slum clearance and urban redevelopment.—I have recommended for several years legislation to authorize the Federal assistance needed to permit cities to start clearing their slums and preparing the sites necessary for sound urban development, primarily private housing. We should not delay longer in authorizing initiation of the first installments of this long-term program. I recommend, therefore, that the Housing and Home Finance Administrator be authorized to contract for Federal grants amounting to 100 million dollars a year for 5 years. In addition, I recommend loan authorizations of 25 million dollars for the fiscal year 1950 and larger authorizations in the following 4 years, totaling 1 billion dollars for the 5-year period. The only Federal expenditures likely in the fiscal year 1950 are loans of 10 million dollars for planning the projects.

Private housing.—The great bulk of the housing of the Nation is today and should remain privately owned and privately financed. In addition to the general aids provided for all types of housing, the Federal Government aids private housing through sharing financial risks and providing a supplementary source of funds.

Over one-third of the new housing started in the next fiscal year, it is estimated, will be financed by mortgages insured by the

HOUSING AND COMMUNITY FACILITIES

[Fiscal years. In millions]

Program or agency	*Expenditures*			*1950*	
	1948 actual	*1949 estimated*	*1950 estimated*	*Net new appropriations*	*Other authorizations*
General aids to housing:					
Housing and Home Finance Agency:					
Existing programs	$1	$1	$2	$2	.....
Proposed legislation:					
Research and administration	.....	(1)	2	2	.....
Slum clearance	.....	.....	10	.....	$125
Alaska housing	.....	.....	5	10	.....
Commerce Department: Proposed census of housing	.....	.....	6	15	.....
Housing Expediter (excluding rent control)	6	.....	.....	.....	.....
Aids to private housing:					
Housing and Home Finance Agency:					
Federal Housing Administration	—19	5	7	.....	.....
Home Loan Bank Board:					
Home Owners' Loan Corporation	—156	—123	—95	.....	.....
Proposed stand-by borrowing authority:					
Federal Savings and Loan Insurance Corporation	.....	.....	.....	.....	750
Federal home loan banks	.....	.....	.....	.....	1,000
Reconstruction Finance Corporation:					
Existing programs:					
Mortgage purchases, net	113	333	149	.....	.....
Loans to large-scale producers	.....	5	13	.....	.....
Other	4	2	(1)	.....	.....
Proposed assistance for rental and cooperative housing	.....	.....	50	.....	.....
Department of Agriculture: Proposed farm housing program	.....	.....	20	5	27
Public housing programs:					
Housing and Home Finance Agency:					
Public Housing Administration:					
Existing programs:					
War housing	48	48	34	162	.....
Veterans' re-use housing	44	12	1	12	.....
Low-rent housing	11	—1	12	6	.....
Other	—5	2	1	1	.....
Proposed low-rent housing	.....	15	129	5	85
Other agencies	—1	—1	—1	(1)	.....
Provision of community facilities:					
Reconstruction Finance Corporation	25	35	32	.....	.....
Federal Works Agency:					
Existing programs	10	15	8	1	.....
Proposed legislation:					
Disaster relief	.....	.....	3	5	.....
Alaska public works	.....	.....	1	2	.....
Total	82	349	388	227	1,987

[1] Less than one-half million dollars.

Federal Housing Administration. In the years ahead our mortgage insurance system should give increased emphasis to assisting housing cooperatives and production of rental housing and lower-priced sales housing. Amendments are needed for these purposes, as well as to simplify the variety of insurance aids now available. Both the Federal Housing Administration and the Reconstruction Finance Corporation will encourage increased production of lower-priced housing by special financial assistance to producers using efficient large-scale construction methods. In addition, as part of our veterans' program, the Government will continue to guarantee loans made to veterans to help finance construction and purchase of homes.

The Federal National Mortgage Association, a subsidiary of the Reconstruction Finance Corporation, will continue to assist private lenders in certain cases where credit is short by purchasing federally insured and guaranteed mortgages. In the fiscal year 1950 these purchases, under the present authority, will result in estimated net expenditures of 149 million dollars. I am recommending revisions of the present limitations on mortgage purchases, which will result in an estimated 50 million dollars of additional expenditures. In order to prevent inflationary pressures, any such broadening should of course be confined to measures urgently required to finance the most-needed types of housing construction, particularly rental housing and housing cooperatives.

As another credit aid to private housing, the Federal home loan banks provide an important supplementary source of credit for the savings and loan associations which make about one-third of all home-mortgage loans. The Federal Savings and Loan Insurance Corporation insures the share-accounts of its member associations. Both the banks and the Corporation are supervised by the Home Loan Bank Board.

I am recommending basic revisions in the financial structure of these agencies designed to encourage substitution of private capital for Federal investments, to permit them to borrow from the Treasury in the event of any future emergency, and to give the Home Loan Bank Board more specific authority over the borrowing and lending operations of the member associations. Under this legislation, the additional retirement of Federal investment in home loan bank stock in the fiscal year 1950 will increase Budget receipts by an estimated 81 million dollars. The stand-by borrowing authority requested for the home loan banks and the Corporation amounts to 1,750 million dollars. I do not anticipate that any use will be made of this new authority except in time of emergency, but it will provide additional assurance to the millions of shareholders, comparable to the assurance now given to bank depositors.

I am again recommending that the Congress provide for more adequate Federal aids to construction and improvement of privately owned farm housing. The new program would authorize the Secretary of Agriculture to provide loans for farm housing, as well as contributions for housing for farmers on potentially self-supporting farms and limited grants to improve substandard housing of low-income farmers.

Public housing.—Except for 3,000 permanent low-rent units authorized before the war, Federal assistance for new public housing since the war has been limited almost entirely to provision of temporary accommodations under the veterans' re-use program. With every month that passes, legislation to authorize a new and broader program of Federal assistance for low-rent public housing becomes more necessary.

Only through such a program can cities make a substantial start in providing permanent housing for the low income families for whom private enterprise cannot reasonably be expected to provide.

The legislation which I am now recommending would provide the Federal assistance required to permit construction of 1,050,000 low-rent units over a 7-year period. It would authorize the Public Housing Administration to make contracts with local public agencies providing for annual Federal contributions over a 40-year period sufficient to assure acceptable housing for low-income families at rents they can afford to pay. Contracts involving maximum annual contributions of 85 million dollars would be authorized for the fiscal year 1950, rising to a maximum annual amount of 445 million dollars by the end of the fiscal year 1954. In addition, the lending authority of the Public Housing Administration would be increased by 700 million dollars primarily for temporary financing. To minimize the cost of the program, the local housing agencies would meet their long-term financial requirements by selling to the public taxable obligations fully protected by the pledge of annual Federal contributions. Disbursements during the first year will amount to an estimated 120 million dollars, almost entirely for short-term loans.

The Public Housing Administration also has been administering the disposition of permanent and temporary units built under the war housing and veterans' re-use programs. I am recommending legislation to make possible more expeditious sale to private owners of all permanent war housing units, except those transferred to local housing agencies for low-rent housing. Adequate protection would be provided for present occupants. Legislation also is needed to permit transfer of all Federal ownership and other rights in temporary housing (with limited exceptions) to local communities which apply for such transfer. This step would permit the entire responsibility for such housing to be vested in local authorities, who can most readily determine the continuing emergency need.

Community facilities.—In accordance with the economic stabilization program, the Reconstruction Finance Corporation is limiting its new loans to public agencies to relatively low levels. Other expenditures will be made to complete the Brooklyn-Battery tunnel and to meet other prior commitments.

I again recommend legislation authorizing the Federal Works Agency to provide prompt assistance to communities in rebuilding facilities after floods and other disasters. A tentative appropriation estimate of 5 million dollars is included for this purpose.

Alaska housing and public works.—As part of the program to develop the resources of Alaska, I have recommended special assistance for both private and public housing. Such housing is badly needed, but is hampered by excessive construction costs. This Budget provides for a 10-million-dollar revolving fund to finance loans and construction by the Alaska Housing Authority. I also recommend a 2-million-dollar appropriation to the Federal Works Agency to provide for certain urgently needed public works in Alaska.

Appropriations and other authorizations—Summary.—Most of the expenditures for existing programs in the fiscal year 1950 will be financed from the corporate funds of the Reconstruction Finance Corporation provided in earlier years.

New appropriations of 44 million dollars and other authorizations of 1,987 million dollars would be called for under my legislative recommendations. The proposed

stand-by borrowing authority of the Federal Savings and Loan Insurance Corporation and of the Federal home loan banks accounts for 1,750 million dollars. Slum clearance, low-rent public housing and farm housing proposals require contract and loan authorizations of 237 million dollars in the fiscal year 1950. An increase of 700 million dollars in the lending authority of the Public Housing Administration would be provided in the fiscal year 1949. It is estimated that 35 million dollars of the 174 million dollars in permanent appropriations, representing anticipated receipts from war housing and veterans' re-use housing, will be spent for current management and disposition activities. The remaining 139 million dollars will be transferred to the general fund of the Treasury without affecting Budget expenditures.

EDUCATION AND GENERAL RESEARCH

It is important to the continued progress of the Nation that we raise our educational standards and expand our fundamental research. At the present time the Federal Government promotes education by providing professional leadership and advice to educators, and by supporting vocational education and the land-grant colleges through grants-in-aid to the States. It also supports Howard University and educational institutions for the blind and deaf, and provides for the education of Indians. The Government provides library and museum services through the Library of Congress, the Smithsonian Institution, the National Gallery of Art, and the Botanic Gardens, and carries on general research through the National Bureau of Standards, the Bureau of the Census, and the Naval Observatory.

Expenditures in the fiscal year 1950 for education and general research are estimated at 414 million dollars. The increase of 329 million dollars over 1949 is almost entirely for proposed grants to States for education and for the decennial census of population.

In addition to these general programs, many Federal agencies carry on specialized education and research activities which are included in other functional groupings. Some of these are the education benefits for veterans, fellowship and other training programs designed to produce needed specialists, and research for military and other purposes.

Aid to education.—Although the Federal Government is engaged in this broad range of educational activities, we are not yet assuring all the children of our Nation the opportunity of receiving the basic education which is essential to a strong democracy. In many areas, teachers' salaries are low, particularly in the elementary grades. Too many are leaving the profession; too few are entering. Enrollments are rising. As a result, overcrowded classrooms and substandard instruction are common. As the large number of children born during and after the war reach school age, the situation will become even worse.

Many States are finding it difficult, even with high tax rates, to pay adequate salaries or to take other corrective measures. It is therefore urgent that the Congress enact legislation to provide grants to the States in support of a basic minimum program of elementary and secondary education for all our children and youth. This Budget includes a tentative appropriation estimate of 300 million dollars for such grants in the fiscal year 1950.

We know that a shortage of school buildings exists in many parts of the country as a result of wartime deferment of construction and the increase in the school-age popu-

EDUCATION AND GENERAL RESEARCH

[Fiscal years. In millions]

Program or agency	*Expenditures*			*1950*	
	1948 actual	*1949 estimated*	*1950 estimated*	*Net new appropriations*	*Other authorizations*
Promotion of education:					
Office of Education (Federal Security Agency):					
Present programs	$33	$34	$34	$34	.....
Federal aid to education (proposed legislation)	.....	.....	290	300	.....
Survey of educational building needs, and study of scholarships and fellowships (proposed legislation)	.....	.....	1	1	.....
Federal Works Agency and other	6	4	1	[1]	.....
Educational aid to special groups:					
Bureau of Indian Affairs (Interior)	12	11	12	12	.....
Howard University (Federal Security Agency) and other	3	6	12	5	$6
Library and museum services	8	10	10	10	.....
General-purpose research:					
Department of Commerce:					
Seventeenth decennial census	[1]	2	36	70	.....
Other Census Bureau programs	7	7	6	6	.....
National Bureau of Standards:					
Present programs	5	9	8	9	.....
Radio propagation building (proposed legislation)	.....	.....	[1]	[1]	.....
National Science Foundation (proposed legislation)	.....	.....	2	3	12
Other agencies	2	1	1	[1]	.....
Total	75	85	414	[2] 452	18

[1] Less than one-half million dollars.

[2] In addition, this Budget includes 6 million dollars of appropriations recommended to liquidate prior year contract authorizations.

lation. We do not know the overall extent of the shortage, the particular areas in which it exists, and whether State and local governments can alleviate it without special Federal aid for construction. In order to provide an adequate factual basis for further consideration of the problem, I ask the Congress to authorize a survey of educational building needs and the adequacy of State and local resources available to meet these needs.

It has become increasingly obvious that the national welfare demands that higher education be made available to more of our talented young people. We should now determine the soundest and most practicable means of providing additional opportunities for capable young people who could not otherwise afford a college or university education.

The Budget estimates include 1 million dollars as a tentative estimate of appropriations needed for these surveys when authorized by the Congress.

Howard University.—An extensive building program is under way at Howard University to meet part of the need which results from the doubling of student enrollment since 1946. Additional contract authorizations of 6 million dollars are requested in connection with this building program.

National Science Foundation.—The strength and economic welfare of our country in years to come are largely dependent on the advances that can be made in basic scientific research. To maintain and expand the Nation's efforts in scientific research and to help assure an adequate supply of trained scientists in the future, I again urge that the Congress enact legislation creating a National Science Foundation in a form which does not contain the basic administrative defects of the bill passed by the Eightieth Congress. This Budget includes tentative estimates of 2.5 million dollars of appropriations and, in addition, 12.5 million dollars of contract authority to enable the Foundation to establish its organization and initiate its program during the fiscal year 1950.

AGRICULTURE AND AGRICULTURAL RESOURCES

Federal programs for agriculture include a wide variety of services, grants, loans, and other payments designed to promote the con-

AGRICULTURE AND AGRICULTURAL RESOURCES

[Fiscal years. In millions]

Program or agency	*Expenditures*			*1950*	
	1948 actual	*1949 estimated*	*1950 estimated*	*Net new appropriations*	*Other authorizations*
Loan and investment programs:					
Department of Agriculture:					
Commodity Credit Corporation	—$200	$866	$538	.....	.....
Grain storage facilities (proposed legislation)	.....	.....	25	.....	.....
Farmers Home Administration	61	122	116	$115	.....
Rural Electrification Administration, net	239	283	330	6	$350
Other corporate transactions	—67	—63	—14	7	.....
Other agencies	2	(1)	2	2	.....
Other financial aids:					
Department of Agriculture:					
Conservation and use	236	227	274	290	.....
Exportation and domestic consumption	51	87	55	50	.....
Sugar Act	60	71	65	65	.....
International Wheat Agreement (proposed legislation)	.....	.....	56	(1)	.....
Other agencies	—3	(1)	(1)	.....	.....
Agricultural land and water resources:					
Present legislation	48	59	61	60	.....
Flood control—Missouri Basin (proposed legislation)	.....	1	4	.....	.....
Other development and improvement of agriculture	147	153	151	149	.....
Total	575	1,865	1,662	745	350

[1] Less than one-half million dollars.

servation and development of agricultural resources and to improve the efficiency of farm production. They include financial and other assistance aimed to assure reasonable stability in farm income. Finally, they include special aids to farmers whose farm resources are limited in order to give them an opportunity to improve their economic status. The common objective is to promote adjustments within the farm economy and between it and other parts of the national economy which will enable agriculture to contribute its part to the economic development of the Nation as a whole and assure farmers a fair share in the fruits of that development.

The calendar year 1948 was another year of high prosperity for American agriculture. Because of the high level of national income and the continuing need abroad for American food and fiber, cash receipts from farm marketings totaled approximately 30.8 billion dollars—slightly larger than the 30.2 billion dollars in 1947. With rising production costs, however, net farm income declined for the first time in 10 years—from 17.8 billion dollars in 1947 to an estimated 17.2 billion dollars in 1948. This compares with 6.4 billion dollars in 1941.

The ratio of prices received by farmers to prices paid has gradually declined from the peak of 133 in October 1946 to 109 in December 1948. A continuation of the downward trend in this ratio will mean smaller net incomes for farmers in 1949 and 1950, an adjustment from the high levels of the immediate postwar years. This adjustment, prevented from becoming excessive by the operation of price supports, will contribute to over-all stabilization of the economy and to a lowering of the cost of living.

The principal factor causing the fluctuation in total agricultural expenditures is the volume of price support outlays by the Commodity Credit Corporation. This program largely accounts for the estimated increase of 1,230 million dollars in expenditures from the fiscal year 1948 to 1949, and the decrease of 143 million dollars from 1949 to 1950. Apart from price support outlays, expenditures in 1950 for agriculture and agricultural resources are expected to be larger than in 1949 because of the higher level of loan disbursements for rural electrification, larger outlays to encourage conservation of agricultural land resources, smaller net repayments on loans made by the Federal Farm Mortgage Corporation, and the proposed International Wheat Agreement.

Price support.—Net outlays of the Commodity Credit Corporation are estimated to be 866 million dollars in 1949 and 538 million dollars in 1950 as compared with net receipts of 200 million dollars in 1948. Because of the very large production of wheat, corn, and cotton in the 1948 crop year, market prices of these commodities have declined to support levels, resulting in loan outlays or the acquisition of considerable stocks in the current fiscal year. Price support expenditures are expected also to be large on potatoes, eggs, and flaxseed.

For the 1949 crop year, production of cotton, wheat, and corn will probably again exceed anticipated domestic and export requirements, even assuming lower yields per acre than in 1948. If 1949 production should equal the magnitude of the 1948 crops, expenditures of the Commodity Credit Corporation would be considerably larger in the fiscal year 1950 than now estimated.

As I said a year ago, price supports should be regarded "chiefly as devices to safeguard farmers against forced selling under unfavorable conditions and economic depression." Their purpose is to bring an element of stability into agriculture. At the same time, they should not place excessive bur-

dens on the Treasury and taxpayers or inhibit shifts in production needed to meet peacetime demands and to promote adequate conservation of our soil resources. The postwar revisions in the price support programs, which take effect largely in the fiscal year 1951, need certain amendments to make the price support mechanism and the quota provisions more workable.

Two major defects were noted at the time I signed the bill granting a Federal charter to the Commodity Credit Corporation. The first, the restriction on the Corporation's authority to acquire storage facilities, has prevented the Government from fulfilling its obligations under the price support program. The second, the provisions removing the Corporation from the direct supervision of the Secretary of Agriculture, divide responsibility and make more difficult the sound administration of our agricultural program. I recommend that the charter of the Commodity Credit Corporation be amended to correct these deficiencies.

Rural electrification.—Despite the extreme shortages of materials and electrical equipment since the war, the rural electrification program has made notable progress. The percentage of total farms electrified has risen from 48 percent on June 30, 1945, to over 68 percent on June 30, 1948. With the carryover of approximately 120 million dollars from prior-year loan authorizations of the Rural Electrification Administration, I recommend that the new loan authorization be reduced from 400 million dollars to 350 million dollars in 1950. New loan advances to rural cooperatives are estimated to be 360 million dollars in the fiscal year 1950 compared with 310 million dollars in 1949. With the rising percentage of total farms electrified, Rural Electrification Administration loans may be expected to level off in 1951 and decline in later years.

Conservation.—The long-run well-being of both the farmer and the Nation depends on the preservation of our soil resources. To accomplish this objective, the Soil Conservation Service provides technical advice and services to farmers. The ultimate goal as it affects the farmer is a plan of management for his farm which will insure both sustained full production and preservation of the soil. The Federal Government also makes payments to farmers to encourage desirable conservation practices. Expenditures for this program are estimated to increase from 227 million dollars in the fiscal year 1949 to 274 million dollars in 1950. For the 1950 crop-year conservation program (to be reflected in expenditures in the fiscal year 1951), I recommend planning for a 262.5-million-dollar program to include the cost of administering any acreage allotments or marketing quotas which may be adopted as well as payments to farmers and related administrative expenses.

A flood control survey report covering the watershed of the Missouri will soon be presented to the Congress. If this report is approved by the Congress, a 1949 supplemental appropriation of approximately 5 million dollars will be required to initiate needed land-use changes and the construction of terraces and other structures to retard water flow and soil erosion on the lands in the Missouri Basin. These operations are essential supplements to the flood control works of the Corps of Engineers on the downstream channels. Larger appropriations will be required in the years following 1950.

Wheat Agreement.—If the International Wheat Agreement is successfully renegotiated, I shall recommend its ratification and the enactment of the necessary legislation to fulfill its provisions. Under this proposal, the principal exporting and importing

countries would guarantee over a period of years an annual trade of a large volume of wheat within an agreed-upon price range. Thus, the Agreement would provide an orderly solution of some of the problems of international trade over the next few years without the demoralizing effect of unilateral action by governments acting independently. Approximately 56 million dollars is allowed in this Budget to cover the probable loss to the Commodity Credit Corporation in bridging the gap between the price of wheat for the farmer under the price support program and the price at which wheat is made available to foreign purchasers under the Agreement. Costs are expected to be less in later years and will be more than balanced by benefits to farmers and to the Nation in terms of greater stabilization of world trade.

Regional Agricultural Credit Corporation.—In order to simplify the Government-lending operations which assist agriculture, I recommend that the Regional Agricultural Credit Corporation be abolished, and that its functions and the capital stock revolving fund be transferred to the Secretary of Agriculture. Under this proposed change the Secretary could direct existing farm credit agencies to draw upon the revolving fund to extend emergency credit to farmers in the event of floods, droughts, or other natural disasters.

NATURAL RESOURCES

The Federal Government has far-reaching responsibilities for the conservation and development of our natural resources. It must necessarily assume responsibility for the development of atomic energy; it must assure the proper utilization of its extensive land holdings which contain valuable forest, grazing, mineral, water, fish, wildlife, and recreational resources; it must provide for the improvement of such public resources as the major streams of the country. In addition, the Government must foster reasonable standards of conservation and development of resources in private ownership in the interest of the national welfare. We should reappraise our plans for using and conserving our resources in the light of the marked changes that have occurred during and since the war.

In this Budget, programs are being restricted to the lowest level consistent with the heavy demands on our natural resources for both civilian and national defense requirements. The estimated expenditures give particular consideration to the serious needs for electric power in certain areas and for critical minerals. They also allow for work made urgent by repeated postponements during and since the war.

Expenditures for the Government's natural resources programs in the fiscal year 1950 are estimated at 1,861 million dollars, an increase of 245 million dollars over 1949. The largest expenditures, 725 million dollars, will be made by the Atomic Energy Commission. Other large expenditures include 481 million dollars for flood control by the Corps of Engineers and 344 million dollars by the Bureau of Reclamation for development of water resources in the West. These activities represent more than four-fifths of the total estimated expenditures in 1950 and largely account for the increase over 1949.

New obligational authority recommended in 1950 consists of 1,549 million dollars in net new appropriations and 482 million dollars in contract and loan authorizations, of which 427 million dollars is in contract authorizations for the Atomic Energy Commission. Appropriations required to liquidate prior-year contract authorizations amount to 391 million dollars.

Atomic energy.—To an increasing extent our national welfare and security are linked to our atomic energy program. We must continue to add to our knowledge of this resource and move ahead with practical development. Special emphasis is given to the development of nuclear reactors as an eventual means for converting atomic energy into electricity and into power for propulsion of ships and airplanes.

The 1950 Budget provides increased funds for the production of fissionable materials and the development of the science and technology of atomic energy. The present high costs of rapidly accomplishing these purposes must be balanced against the ultimate and far greater costs of failure to move ahead vigorously in this field.

Land and water resources.—Present high costs of construction and large competitive demands from various sectors of the economy make it necessary to undertake new

NATURAL RESOURCES

[Fiscal years. In millions]

Program or agency	*Expenditures*			*1950*	
	1948 actual	*1949 estimated*	*1950 estimated*	*Net new appropriations*	*Other authorizations*
Atomic energy:					
Atomic Energy Commission	$466	$632	$725	$365	$427
Other agencies	9	2	[1]	.....	.....
Land and water resources:					
Corps of Engineers (Army, civil functions)	246	442	481	505	.....
Bureau of Reclamation (Interior)	175	282	340	380	.....
Rehabilitation and betterment projects (proposed legislation)	.....	.....	4	5	.....
Bonneville Power Administration and southwestern power transmission system (Interior)	18	31	41	27	24
Other Interior	9	15	15	15	.....
Tennessee Valley Authority	34	29	49	56	.....
Department of State and other	3	5	10	4	.....
Forest resources:					
Forest Service and other (Agriculture)	57	62	69	68	.....
Department of the Interior	3	5	5	5	[1]
Mineral resources:					
Bureau of Mines and other (Interior)	26	34	31	30	.....
Department of the Navy and other	7	15	18	10	.....
Commercial production of synthetic fuels (proposed legislation)	.....	.....	1	.....	30
Incentive payments for exploration and development of minerals (proposed legislation, Interior)	.....	.....	5	15	.....
General resource surveys (Interior)	10	14	17	18	.....
Fish and wildlife resources (Interior and other)	12	25	24	24	.....
Recreational use of resources (Interior)	16	22	26	23	.....
Total	1,091	1,616	1,861	[2] 1,549	482

[1] Less than one-half million dollars.

[2] In addition, this Budget includes 391 million dollars of appropriations recommended to liquidate prior year contract authorizations.

river basin projects only where urgency is evident. More than 90 percent of the recommended expenditures for river basin development in the fiscal year 1950 is to continue work started in prior years. Despite this restriction, Federal outlays for these resources will be about 1 billion dollars in 1950.

In view of the magnitude of the investment in these resources and its economic effects, there should be careful surveillance of the programs in order to prevent waste and assure sound development. We should apply the lessons of our Tennessee Valley experience without delay wherever they offer promise of improvement.

An essential first step for the flood control, reclamation, and other development activities is an expansion by the Geological Survey of its water resource investigations and topographic surveys.

The flood control program of the Corps of Engineers, involving the construction of major storage reservoirs, channels, and levees, will be limited in the fiscal year 1950 almost entirely to continuation of work on projects started in prior years. Particular emphasis is now given to the Mississippi River Basin but major projects are under construction in river basins on the Atlantic seaboard and Gulf coast, the Central Valley and Los Angeles areas in California, and the Columbia Basin.

The program of the Bureau of Reclamation is going forward on major projects in the Central Valley of California, the Columbia Basin, the Colorado River area, and the Missouri Basin. Because of the great increase in the estimated cost of the Missouri Basin development, the present plan should be reexamined to determine needed changes.

The anticipated shortage of power in some areas of the country makes it urgent that we move forward at a faster rate on certain of the Federal hydroelectric power projects in order to obtain benefits as early as feasible. Two large projects to be constructed by the Corps of Engineers are recommended for initiation in the Columbia Basin in the fiscal year 1950, in order to meet increasing power demands.

The Tennessee Valley, where the Government has broad responsibilities for power supply, faces a power shortage in the near future. Expansion of Tennessee Valley Authority's generating capacity is vital not only for the growing normal power demands, but also for the expanding needs of the atomic energy program. I recommend an immediate appropriation for 1949 to initiate construction of a steam plant to permit more effective utilization of the hydroelectric power resources of the area, and additional funds for 1950 to expedite progress on the project.

Construction by the Government of transmission and distribution facilities is essential in some areas for marketing the power from Government projects in compliance with law, which gives priority to public agencies and cooperatives. Funds have been recommended in the Budget for this purpose.

The Federal lands administered by the Bureau of Land Management contain resources that are both large and diverse in character. A large portion of these lands is in the grazing districts of the West and is an important part of the livestock economy of that area. The Bureau's administration of mineral resources includes not only the resources on the public lands, but also those on several million acres of land where surface rights have passed into private ownership. Aggregate receipts from these Federal land resources greatly exceed the costs of administration.

Mineral resources.—Two World Wars as well as subsequent needs for world recovery have drawn heavily on our mineral resources.

The Federal Government has a responsibility for assuring the adequacy of these resources through intensive surveys, investigations, and exploration; fundamental research; and sound conservation practices. Funds recommended for the Bureau of Mines and some activities of the Geological Survey are directed to these purposes. In addition, I recommend legislation which will authorize incentive payments for the exploration and development of strategic and critical minerals.

The country must face squarely the fact that a major portion of its rapidly increasing energy requirements is being met by oil and gas, which constitute only a small portion of our energy reserve. The prospects are that we shall become increasingly dependent on foreign sources of oil unless appropriate action is taken. I recommend legislation to provide for proper conservation and planned use of the oil reserves under the sea which are vested in the Federal Government. The Federal Government should take steps also to encourage commercial production of synthetic liquid fuels from our abundant reserves of coal, lignite, and oil shale. I recommend legislation to authorize the Government to provide financial assistance for this purpose.

Other resource programs.—Programs for the development of our forest, fish, and wildlife resources will be at about the same level in 1950 as in 1949. The increase in expenditures for forest resource development is explained by the inclusion in this function of forest development roads, previously classified with forest highways under the transportation function. An increase is recommended for the operation and improvement of the national parks. This increase is in recognition of the problems created by severe curtailment of upkeep in recent years, and the increased use of the parks as indicated by a trebling of the number of visitors since the close of the war.

Alaskan resources.—In my Message to the Congress in May 1948, I stressed the need for certain immediate actions to aid in the development of Alaskan resources. I recommend in this Budget funds for housing, community facilities, and transportation in this important area. In addition, the Budget includes increased expenditures for the investigation and development of Alaskan timber, water, land, mineral, fish, and wildlife resources.

TRANSPORTATION AND COMMUNICATION

The Federal Government has a major responsibility in the development and regulation of the vital transportation and communication industries. The Government has, at various times, provided direct or indirect assistance to most segments of these industries. It must continue to do so where necessary. The ultimate objective of such assistance is the balanced development of these industries, to the end that they can eventually provide all necessary services at the minimum cost to the immediate user and to the taxpayer.

A major part of the Federal expenditures for transportation and communication are for basic facilities such as highways, airports, waterway improvements, and navigation aids. As postwar programs have developed, expenditures for such facilities have increased considerably in recent years. By fiscal year 1950, most of these programs will reach a level which is likely to be sustained with relatively little change in the near future.

While expenditures for these programs will increase between fiscal years 1949 and 1950, total expenditures for transportation and communication are estimated to decline

from 1.8 billion dollars in fiscal year 1949 to 1.6 billion dollars in 1950. This decline results from an estimated reduction in the postal deficit, in line with my recommendation for postal rate revisions.

Postal service.—The postal deficit for fiscal year 1950, on the basis of current postal rates, would be more than 400 million dollars. A deficit of this size is unsound; it imposes upon the general taxpayer a financial burden which should properly be borne by the users of the service.

Large postal deficits are resulting from a record volume of postal business, most of which is carried at rates which do not cover handling costs. The low rates for parcel post have led to substantial diversion of express traffic from common carriers, with the result that the Post Office Department is now receiving a volume and type of parcel business which it cannot efficiently handle with existing facilities. Present rates for second and third class mail are so low that they make only a small contribution to the costs of handling such mail. While the national interest in disseminating information justifies some preferential treatment for periodicals and other second class matter, there is no sound basis for the extremely low rates now in effect.

In the last 2 years, I have recommended that the Congress raise postal rates to bring them more nearly into line with the increased costs of postal operations. A partial revision in rates was effected by the Eightieth Congress, but this did not offset the cost of the postal pay raise which was concurrently enacted. I therefore strongly urge again that the Congress enact at once an adequate revision of the postal rate structure. I have asked the Postmaster General to submit his recommendations for rate revisions sufficient to reduce the deficit to a reasonable level. The added revenue from such revisions, estimated at 250 million dollars for the fiscal year 1950, is shown in the Budget under proposed legislation. The remaining deficit would represent largely the costs of Government penalty mail, franked mail, air-line subsidies, and other costs not properly chargeable to the users of the postal service. Aside from such costs, postal operations should be conducted on a self-sufficient basis, with rates maintained at a level adequate to accomplish that objective.

Aviation.—Commercial aviation, the newest of our transportation industries, is still in a stage of development that requires subsidy assistance. The program of the Civil Aeronautics Administration for modernizing the Nation's airways will assist the air lines in achieving greater safety and regularity, higher load factors, and thus eventually in reducing their dependence upon Federal financial aid. This program includes principally the installation of landing aids at major airports, and of new airway facilities to permit greater precision and flexibility in air navigation. The present transitional program, utilizing types of equipment currently available, is now getting fully under way, and the 1950 Budget recommendation contemplates its completion within a few years. Research and development work required for a longer-range program will be actively started in the fiscal year 1950, looking toward a complete all-weather air navigation system within a period of about 15 years.

New obligational authority for the Federal aid airport construction program is held to 40 million dollars in this Budget. Within these funds, primary emphasis will be placed upon the construction and improvement of large airports which are required for commercial air transport, and which would also have potential national defense importance.

The basic aeronautical research conducted

by the National Advisory Committee for Aeronautics is essential for the design and development of improved aircraft, both military and civilian. The 1950 Budget provides for new facilities, and increased use of existing facilities, primarily for research upon military aircraft requirements.

Water transportation.—Promotion of the merchant marine, through Maritime Commission construction and operating subsi-

TRANSPORTATION AND COMMUNICATION

[Fiscal years. In millions]

Program or agency	*Expenditures*			*1950*	
	1948 actual	*1949 estimated*	*1950 estimated*	*Net new appropriations*	*Other authorizations*
Promotion of aviation:					
Civil Aeronautics Administration (Commerce)	$98	$150	$196	$127	$67
National Advisory Committee for Aeronautics	38	44	60	56	22
Promotion of the merchant marine:					
Maritime Commission	183	152	182	90	60
Inland Waterways Corporation (Commerce):					
Present programs	.....	2	1	1	.....
Proposed legislation	.....	.....	2	2	.....
Provision of navigation aids and facilities:					
Panama Canal (Army, civil functions)	11	20	16	15	.....
Corps of Engineers (Army, civil functions):					
Present programs	114	168	209	229	.....
Proposed St. Lawrence seaway and power project	.....	.....	8	20	.....
Coast Guard (Treasury)	106	141	148	150	.....
Department of the Interior	([1])	1	1	.....	.....
Provision of highways:					
Public Roads Administration (Federal Works Agency)	331	444	501	16	470
Forest roads and trails (Agriculture)	18	26	3	2	.....
Alaska and Indian roads (Interior)	7	19	28	12	7
Regulation of transportation (Interstate Commerce Commission and Civil Aeronautics Board)	15	15	15	15	.....
Other services to transportation:					
Reconstruction Finance Corporation	—1	—4	2	.....	.....
Coast and Geodetic Survey (Commerce)	10	11	11	11	.....
Alaska Railroad (Interior)	25	33	40	29	22
Postal service deficit (Post Office):					
Present programs	304	527	402	404	.....
Proposed legislation	.....	.....	—250	—250	.....
Regulation of communication (Federal Communications Commission)	6	7	7	7	.....
Alaska communications system:					
Present programs	1	2	3	3	.....
Proposed legislation	.....	.....	1	4	.....
Total	1,267	1,757	1,586	[2]945	648

[1] Less than one-half million dollars.

[2] In addition, this Budget includes 495 million dollars of appropriations recommended to liquidate prior year contract authorizations.

dies, will require some increase in expenditures in the fiscal year 1950. The Budget recommendations provide for the construction of new vessels related to the national defense. With minor exceptions, contracts for sale of these vessels to private operators will be required before construction is begun. Within recent months, the Commission has let contracts for the construction of five passenger-cargo vessels, and has received bids on the construction of a large, high-speed passenger liner. Construction activity on these and other merchant vessels will increase Maritime Commission shipbuilding expenditures from 26 million dollars in fiscal year 1949 to 121 million dollars in fiscal year 1950.

By the end of the fiscal year 1949, the Maritime Commission expects to have determined the postwar operating subsidy rates for all essential trade routes. Subsidy expenditures will therefore be on a full-year basis in fiscal year 1950, and are estimated at 22 million dollars, more than twice the 1949 level. The substantial increases in construction and operating subsidy programs will be largely offset by declines in other Maritime Commission expenditures, particularly those for vessel operation and for liquidation of prior-year obligations.

The activities of the Coast Guard in maintaining rescue stations, enforcing maritime laws, and operating navigational aids, are of primary importance to safety at sea of both air and surface transportation. These programs are expected to cost 148 million dollars in fiscal year 1950. This is slightly higher than in 1949 as a result of the full-year operation of ocean weather stations and a higher level of maintenance of other Coast Guard facilities.

River and harbor improvement by the Corps of Engineers is held in the 1950 Budget to the minimum required for navigation and related purposes. Most of the 1950 program will represent work on existing projects. Only 12 new projects, of high urgency, are proposed to be started in 1950.

I again urge the Congress to give early approval to the St. Lawrence waterway and power project. The navigational aspects of this project have recently assumed an increased importance as a result of the prospects for developing high-grade iron ore deposits in Labrador. As our domestic deposits become depleted, the proposed seaway will become an important link between our steel industry and this new potential source of ore. Furthermore, this dual-purpose project is needed as a source of low-cost power.

The Inland Waterways Corporation, which helps bring the advantages of water transportation to shippers, large and small, urgently needs additional capital to modernize its equipment. Such rehabilitation should enable the Corporation to demonstrate the prospects for profitable operation of its services, and permit the sale of the Corporation to a private operator at terms which would safeguard the interests of both the Government and the users of the service. I recommend that the Congress authorize the additional capital funds needed.

Highways.—Federal grants-in-aid for road construction have been increasing substantially in recent years, and in fiscal year 1950 will be close to the level authorized in existing legislation. Even with this high level of Federal aid, our highways are not being improved as fast as they wear out, nor are they being modernized to the extent required by postwar traffic conditions. Nevertheless, present high costs and the limited capacity of the construction industry make it undesirable for expenditures in the fiscal year 1950 to exceed the estimated level of 501 million dollars.

Federal regulation.—Although most of

the expenditures in this function are accounted for by the services, facilities, and subsidies discussed above, a highly important Federal responsibility is exercised by the regulatory agencies in this field. The regulation of rates and other aspects of transportation and communication services help to assure that the public interest will be adequately and efficiently served. The general economic adjustments within the past few years have substantially increased the normal work loads of these agencies. The Civil Aeronautics Board and the Federal Communications Commission in particular have been faced with major technological and economic developments within their expanding fields. Despite these increased problems, the present budgetary situation makes it desirable to hold these agencies to essentially their present levels.

Appropriations and other authorizations—Summary.—To carry out the above programs, I am recommending 1,593 million dollars in new obligational authority. Of this amount, 648 million dollars represent new contract authorizations, and 945 million dollars represent net new appropriations. Excluded from the total of new obligational authority are additional appropriations of 495 million dollars which will be required for the liquidation of prior-year contract authorizations.

FINANCE, COMMERCE, AND INDUSTRY

Except in times of war or other emergency, the Federal Government's finance, commerce, and industry programs are limited in the main to enforcing effective competition and to providing a wide variety of financial and nonfinancial aids to private industry. The principal agencies administering these programs are the Department of Commerce, Reconstruction Finance Corporation, and the various business regulatory agencies. I have already discussed the more specialized regulation and promotion of particular industries such as transportation and communication.

Total expenditures for finance, commerce, and industry programs are estimated at 107 million dollars in 1950, or slightly above the 1949 level. To carry out these programs, I am including in the Budget appropriations of 82 million dollars for fiscal year 1950, including tentative estimates of 44 million dollars for extension of existing stabilization activities and for new controls under the proposed stand-by authority. Supplemental appropriations of 24 million dollars will also be required for the current fiscal year, chiefly for stabilization activities and for completion of the Census of Business.

Stabilization program.—The major economic problem facing our country is to prevent further inflation and to move on into a stable economic situation without an intervening recession. To provide the necessary legislative authority, I recommend extending and strengthening the existing statutes covering rent, export and transportation controls, materials allocations, control of consumer credit, and bank-reserve requirements. In addition, I am recommending new authority for stand-by price and wage controls and for the allocation of a broader list of commodities, for use if voluntary measures prove inadequate, and for studies of the need for expanding productive capacity in shortage industries. Budget expenditures for this stabilization program are estimated at 41 million dollars in 1950.

Antimonopoly program.—A strong antimonopoly program is essential for the preservation of our free enterprise institutions. It can also provide immediate assistance in the present effort to restrain inflation. By concentrating enforcement activities in ma-

FINANCE, COMMERCE, AND INDUSTRY

[Fiscal years. In millions]

Program or agency	*Expenditures*			*1950 net new appropriations*
	1948 actual	*1949 estimated*	*1950 estimated*	
Promotion and regulation of business:				
Stabilization program:				
Housing Expediter—rent control and veterans' priorities:				
Present programs	$19	$18	.....	.....
Proposed legislation	.....	5	$23	$24
Department of Commerce:				
Present programs	1	4	.....	.....
Proposed legislation	.....	1	5	5
Department of Agriculture	3	.....	.....	.....
Treasury Department	.....	1	.....	.....
Proposed stabilization legislation	.....	2	13	15
Continuing programs:				
Antimonopoly program (Federal Trade Commission, Justice)	5	7	7	7
Other regulatory agencies	6	6	7	7
Department of Commerce	19	27	23	18
Business loans and guarantees (Reconstruction Finance Corporation):				
National defense loans	—5	—19	—6	.....
Other loans to business	35	54	37	.....
Aids to private financial institutions (Reconstruction Finance Corporation)	—21	—10	—9	.....
War damage insurance (War Damage Corporation)	20	.....	1	.....
Control of private finance (Securities Exchange Commission)	6	6	6	6
Total	88	102	107	82

jor consumer commodities, conspiracies responsible for high prices can be broken and the cost of living reduced.

A substantial increase in funds for the Federal Trade Commission and the Department of Justice has been made available for the current fiscal year. I am recommending a small further increase in 1950, which will permit more adequate investigation of the extent of monopoly and monopolistic practices.

Business loans.—To restrain inflationary credit expansion, general loans to business in 1950 by the Reconstruction Finance Corporation will be held to approximately the 1948 level. A somewhat higher level is estimated for 1949 owing to substantial authorizations early in the fiscal year.

Collections on national defense loans and holdings of preferred stock in financial institutions continue but at a declining rate, as liquidation of these large depression and wartime programs is now nearing completion.

LABOR

In our free enterprise system the conditions of employment of the labor force of more than 63 million persons are primarily matters for the joint determination of labor and management. The role of the Federal Government is to assure that acceptable

LABOR

[Fiscal years. In millions]

Program or agency	*Expenditures*			*1950 net new appropriations*
	1948 actual	*1949 estimated*	*1950 estimated*	
Mediation services and regulation of employment conditions:				
Department of Labor:				
Present programs	$5	$6	$6	$6
Industrial safety program (proposed legislation)	.....	.....	3	3
National Labor Relations Board	5	9	9	9
Federal Mediation and Conciliation Service	2	3	3	3
National Commission Against Discrimination in Employment (proposed legislation)	.....	.....	1	1
Other	4	5	5	5
Labor information, statistics, and general administration:				
Department of Labor	8	7	8	8
Placement services and unemployment compensation activities:				
Federal Security Agency	71	137	140	139
Railroad Retirement Board	15	15	11	11
Department of Labor	70	.....	.....	.....
Training of workers:				
Department of Labor	2	3	3	3
Total	183	184	187	187

NOTE.—The Federal-State system of unemployment compensation and the Federal system of railroad unemployment insurance, formerly classified in Social welfare, health, and security, are now included in Labor.

minimum standards of wages and working conditions are maintained and that both individual workers and organized groups of working people have a fair opportunity to improve their economic status. The Federal Government also promotes apprenticeship training and collects and publishes labor statistics and related information which are used widely by business, labor, and the general public. For the fiscal year 1950, the Government's labor programs will require Budget expenditures of 187 million dollars, approximately 3 million dollars more than in 1949.

The Labor Department should be substantially strengthened through reorganization to bring together the units which properly belong in it. Toward this end I shall recommend certain organizational changes essential for more effective administration of the Government's labor program.

Mediation services and regulation of employment conditions.—In my Message on the State of the Union I have already recommended urgently needed legislative action to provide fair laws under which management and labor can develop more fully the opportunities for cooperative production that collective bargaining affords. I have also recommended that the Congress promptly amend existing laws in order to establish up-to-date minimum standards for wages.

This Budget includes tentative estimates to carry out the legislation which I have proposed to authorize grants to the States to foster safer working conditions, and to authorize establishment of a national commission against discrimination in employment.

Labor information and statistics.—For programs now authorized in the Department of Labor, I am recommending increases to restore the facilities of the Department to meet more adequately the increasing needs for current information on employment, hours and earnings, consumer prices, and other subjects.

Placement services and unemployment compensation administration.—Public employment services and administration of unemployment insurance will require approximately 150 million dollars or about 80 percent of all expenditures for labor programs. Except for 11 million dollars for the Railroad Unemployment Insurance program, these funds are expended principally through grants to States.

Provision has been made, in the reserve for contingencies, for any added costs which may arise because of future statutory increases in State salary rates or because of unexpected increases in State workload.

Trust accounts.—Total unemployment benefit payments are rising above the 1948 level, in large part because of increased labor turnover, the return of prewar seasonal patterns and because many insured workers have exhausted their claims to veterans' unemployment allowances from the Federal Government and collect State benefits when unemployed. Growth of the labor force and liberalization of State laws are also factors. Receipts are below the 1948 level because of changes in the law relating to railroad unemployment.

My proposal to strengthen the unemployment compensation system contemplates that coverage will be extended to workers in small establishments, Federal employees, and other workers not now insured. It contemplates that in some States the level of benefits will be raised and their duration extended.

GENERAL GOVERNMENT

Under "general government" are grouped not only the general management activities of the Government but also legislative and judicial functions, citizenship services, and government of the territories. Most of the expenditures in this category are for collecting the internal revenue, interest on refunds of receipts, the Government contribution to the Federal employees' retirement system, property supply and disposal, and the maintenance and operation of public buildings. The Weather Bureau also is included under general government, because its activities relate to several major functions of the Government. Similarly, the general expenditures of a few departmental offices are classified in this category.

Total expenditures for general govern-

UNEMPLOYMENT TRUST FUND

(*Trust accounts*)

[Fiscal years. In millions]

Item	*1948 actual*	*1949 estimated*	*1950 estimated*
Receipts:			
Deposits by States and railroad unemployment taxes	$1,148	$991	$1,017
Interest	165	181	185
Proposed legislation extending coverage and improving benefits	.....	.....	230
Payments (deduct):			
State and railroad unemployment withdrawals	856	963	1,020
Proposed legislation	.....	.....	150
Net accumulation	457	209	262

GENERAL GOVERNMENT

[Fiscal years. In millions]

Program or agency	*Expenditures*			*1950*	
	1948 actual	*1949 estimated*	*1950 estimated*	*Net new appropriations*	*Other authorizations*
Legislative functions	$32	$37	$46	$35	.....
Judicial functions	18	20	26	21	.....
Executive direction and management	7	7	10	8	.....
Surplus property disposal, foreign and domestic:					
Present disposal programs (mainly War Assets Administration)	312	118	16	.....	.....
Proposed legislation	.....	13	21	21	.....
Deposits and transfers of receipts, foreign sales (Army, clearing account)	96	9	.....	.....	.....
Federal financial management:					
Bureau of Internal Revenue	185	209	233	233	.....
Other Treasury bureaus	194	150	133	136	.....
General Accounting Office	34	36	37	37	.....
Other	3	5	5	1	.....
Interest on refunds of receipts	57	82	82	82	.....
Government payment toward civilian employees' general retirement system	244	224	328	328	.....
Federal Works Agency (mainly Public Buildings Administration):					
Present programs	71	78	91	74	.....
Office building (proposed legislation)	.....	.....	5	7	.....
Reconstruction Finance Corporation:					
Payments of interest to miscellaneous receipts	89	1	14	.....	.....
Other	−39	−26	−25	.....	.....
Cemeteries and return of war dead (Army)	87	73	30	6	.....
Other:					
Present programs	115	150	168	169	$7
Salary increases for heads and assistant heads of agencies (proposed legislation)	.....	.....	2	2	.....
National Capital Sesquicentennial Commission (proposed legislation)	.....	[1]	1	.....	.....
Special fund for management improvement (proposed legislation)	.....	.....	1	1	.....
Total	1,504	1,187	1,224	[2] 1,160	7

[1] Less than one-half million dollars.

[2] In addition, this Budget includes 26 million dollars of appropriations recommended to liquidate prior year contract authorizations.

ment functions have declined from a peak in the fiscal year 1948 and are now leveling off at about 1.2 billion dollars. Although the biggest reductions in war-liquidation programs have already occurred, further reductions are expected. Some increases, however, are estimated in the expenditures for permanent programs and services, particularly, in 1950 for tax collections and the employees' retirement system. Total new

authorizations requested for general government activities for the fiscal year 1950 are 57 million dollars less than estimated expenditures. I am postponing requests for contract authority for a general public buildings program and requesting only 7 million dollars in contract authority for other construction.

Property management.—Last year I submitted to the Congress proposals for a comprehensive property management program for the Federal Government. The Congress took action to repeal certain of the provisions of the temporary legislation for surplus property disposal and to provide for termination of the War Assets Administration February 28, 1949, but it failed to complete action on permanent property management legislation. Such legislation is urgently needed to achieve economies by modernizing the Government's supply and disposal systems. This legislation should designate a single property management agency. The remaining functions of the War Assets Administration should be transferred directly to this agency.

At the end of February, the War Assets Administration will have residual inventories of surplus property amounting to more than 2.5 billion dollars in terms of original cost. I am recommending a supplemental appropriation of 15 million dollars for the fiscal year 1949 and 21 million dollars for the fiscal year 1950 on the assumption that a single property management agency will be made responsible for these disposal activities upon dissolution of the War Assets Administration.

Revenue collection.—The operations of the Bureau of Internal Revenue have been extensively reviewed by the Congress and also by a special management committee appointed by the Secretary of the Treasury. As a result the Bureau is currently engaged in decentralizing its administration, improving office procedures, expanding its enforcement staff, and training its personnel to do a better job. In addition to nearly 2,000 enforcement personnel to be added this fiscal year, the Budget provides for a further increase of more than 7,000 in the fiscal year 1950. The Government has an obligation to its taxpayers to undertake complete collection of all the taxes that are legally due and to assure equitable treatment to each taxpayer. I am confident that the additional expenditures will represent a sound investment.

Retirement system.—Last February legislation was enacted which liberalized the provisions of the Federal employees' general retirement system by increasing annuity payments and adding survivorship benefits. Higher payments to the retirement fund are required to finance these new provisions. The rate of deductions from employees' salaries for retirement purposes was increased from 5 percent to 6 percent. It is also necessary to increase by over 100 million dollars in the fiscal year 1950 the Government's payment toward the retirement system, based on the revised retirement provisions and the higher Federal pay roll estimated for the fiscal year 1950.

Public buildings.—Because of the present inflationary conditions I am not now recommending a general public buildings program, although in many areas the Government is inadequately housed and such a program cannot be delayed indefinitely. However, I am proposing that work be started immediately on the construction of one building which should be completed in time for use by the Census Bureau in connection with the 1950 decennial census, and will thereafter be available for other needs.

Government Services Corporation.—I recommend that the Congress create a new,

self-supporting, Government corporation to provide certain cafeteria and recreational services, primarily for Federal employees, in Government buildings and on Government property. At present, these services are provided by several organizations which do not fall within the normal governmental framework. This is essentially a governmental responsibility, and should be subject to the usual processes of governmental review and control.

Virgin Islands Company.—I renew my recommendation that the Virgin Islands Company be given a permanent Federal charter under comprehensive legislation. This Company is a chief contributor to the economic welfare of the Virgin Islands. The present stop-gap measure, which extended the life of the Company for only 1 year and with narrow powers, contributes little toward making the Virgin Islands economically self-sustaining and raising the standard of living of its citizens.

The National Capital.—The role of the National Capital Park and Planning Commission should be redefined and a stronger statutory basis established for the proper development of the District of Columbia and nearby areas in Maryland and Virginia.

I am not forwarding at this time an estimate of appropriation for the District of Columbia Redevelopment Land Agency to provide for the assembly of property in slum or blighted areas in the District of Columbia. When the redevelopment plans now being prepared by the National Capital Park and Planning Commission are approved, an estimate will be transmitted for consideration by the Congress.

I recommend pay increases for the employees of the District of Columbia government, including the teachers in the public schools, who were unfairly excluded from the Federal Employees Salary Act of 1948.

INTEREST ON THE PUBLIC DEBT

Expenditures for interest on the public debt in the fiscal year 1950 are estimated at 5,450 million dollars, an increase of 125 million dollars over the fiscal year 1949; and the 1949 estimate is, in turn, higher than actual expenditures in the preceding year by approximately the same amount.

The continued increase in interest on the public debt arises in several ways. Accruals on the large volume of savings bonds outstanding reach higher brackets each year. There will also be a further increase in the amount of special issues held by Government trust funds, and these issues bear relatively high coupon rates which are, in part, fixed by statute. In addition, the increases in short-term interest rates which were initiated in July 1947 are now beginning to be fully reflected in the cost of the debt. This latter factor is, to some extent, offset by the interest saving which has been effected by refunding maturing bonds bearing relatively high rates of interest into short-term issues bearing lower rates of interest.

Interest payments on marketable issues—issues which may be bought and sold freely in the market—will account for 55 percent of interest payments on the debt in the fiscal year 1950. The amount of interest paid on marketable issues is falling gradually because of a decline in the total volume of such obligations and the retirement or refunding of bonds bearing relatively high rates of interest. A portion of the interest paid out on marketable issues goes to the Federal Reserve banks, and most of such payments are coming back to the Government as miscellaneous receipts. This is a result of the Federal Reserve policy of paying approximately 90 percent of net Reserve bank earnings into the Treasury. Budget receipts from this source are estimated to rise from 140 million dollars in 1949 to 250 million

INTEREST ON THE PUBLIC DEBT

[Fiscal years. In millions]

Agency	*Expenditures* 1948 actual	1949 estimated	1950 estimated	1950 appropriations
Treasury Department	$5,188	$5,325	$5,450	$5,450

dollars in 1950, thereby offsetting most of the increase in the total interest cost of the debt.

Interest payments are a fixed obligation of the Federal Government. Their payment is financed by permanent indefinite appropriations not requiring annual congressional action.

PROPOSED LEGISLATION—A SUMMARY

Estimated expenditures, appropriations, and other authorizations included in the Budget total for programs under proposed new legislation are shown in the following table. The items in the table are of such importance as to warrant early enactment and financing in the next fiscal year. Moreover, legislative proposals for these items are sufficiently developed to permit tentative estimates of first year budgetary requirements.

The Budget also contains a general reserve for contingencies. It is designed as a minimum provision both for unforeseen con-

PROPOSED LEGISLATION

(Summary of amounts included in the Budget)

[Fiscal years. In millions]

Function and program	*Estimated expenditures 1950*	*Anticipated supplemental appropriations and other authorizations* 1949	1950
International affairs and finance:			
Economic Cooperation Administration	$4,300.0	$1,250.0	$4,300.0
Other foreign aid	355.0	.....	600.0
Food and Agriculture Organization building fund	1.0	.....	7.0
Contribution to International Trade Organization	1.0	.....	1.0
War damage claims	.....	17.0	.....
Palestinian refugee program	.....	16.0	.....
Foreign service pay increase	1.4	.6	1.7
National defense:			
National Military Establishment (public works, special programs, military pay adjustment, etc.)	385.0	....	645.0 (185.0)
Universal training	600.0	.....	800.0
Social welfare, health, and security:			
Medical care insurance system	14.9	.....	15.0
Public assistance	65.0	.....	65.0
Change in employees' accident compensation rates	3.8	.....	4.0
Housing and community facilities:			
Slum clearance, low-rent housing, farm housing and research	160.5	.2 (700.0)	11.7 (236.5)
Special assistance for rental and cooperative housing	50.0	.....	.....
Census of housing	6.0	.....	15.0

PROPOSED LEGISLATION—continued

Function and program	*Estimated expenditures 1950*	*Anticipated supplemental appropriations and other authorizations* 1949	1950
Housing and community facilities—Continued			
Stand-by borrowing authority:			
Federal Savings and Loan Insurance Corporation	.....	.....	($750.0)
Federal home loan banks	[1]	.....	(1,000.0)
Alaska housing	$5.0	.....	10.0
Alaska public works	1.0	.....	2.0
Disaster relief	3.0	.....	5.0
Education and general research:			
Federal aid to education	290.1	.....	300.2
Survey of educational building needs, and study of scholarships and fellowships	1.0	.....	1.0
Radio propagation building	0.2	.....	0.2
National Science Foundation	2.0	.....	2.5 (12.5)
Agriculture and agricultural resources:			
Amendment of Commodity Credit Corporation charter (grain storage)	25.0	.....	.....
Flood control, Missouri River Basin	4.0	5.0	.....
International Wheat Agreement	55.7	.....	0.2
Natural resources:			
Commercial production of synthetic liquid fuels	1.0	.....	(30.0)
Incentive payments for exploration and development of minerals	5.0	.....	15.0
Bureau of Reclamation, rehabilitation and betterment projects	4.0	.....	5.0
Transportation and communication:			
Additional revenue from increased postal rates	—250.0	.....	—250.0
Inland Waterways Corporation, subscription to capital stock	2.0	.....	2.0
St. Lawrence seaway and power project	8.0	.....	20.0
Alaska communications system	0.8	.....	3.6
Finance, commerce, and industry:			
Anti-inflation program	13.5	3.0	15.0
Export control	4.7	1.6	5.0
Rent control	23.3	5.4	24.0
Labor:			
Industrial safety program	3.1	.....	3.1
National Commission Against Discrimination in Employment	0.5	.....	0.6
General government:			
Construction of Census Building	4.8	.....	7.4
Surplus property disposal	20.6	15.0	21.0
Salary increases for heads and assistant heads of agencies	1.5	.....	1.5
Special fund for management improvement	0.9	.....	1.0
National Capital Sesqui-Centennial Commission	1.2	1.5	.....
Total	[2] 6,175.5	1,315.3 (700.0)	[2] 6,660.7 (2,214.0)

[1] Budget receipts of 81 million dollars from additional retirement of Federal home loan bank stock.

[2] Excluding additional postal revenue, total estimated expenditures are 6,425.5 million dollars and total anticipated supplemental appropriations are 6,910.7 million dollars.

NOTE.—Figures in parentheses are authorizations other than appropriations.

tingencies and for legislative proposals now in the discussion stage, which may require action before the end of the next fiscal year.

The responsibilities of free men match the personal rights and political freedoms which are theirs. The Budget of the United States reflects our power for freedom and the advancement of mankind in our country and in the world.

HARRY S. TRUMAN

NOTE: The message was transmitted to the Senate and to the House of Representatives on January 10.

The message and the budget document (1429 pp.) are published in House Document 17 (81st Cong., 1st sess.).

9 Special Message to the Senate Transmitting Charter of the Organization of American States. *January* 13, 1949

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of the Charter of the Organization of American States, formulated at the Ninth International Conference of American States, and signed at Bogotá, Colombia, in the English, French, Portuguese, and Spanish languages on April 30, 1948, by the plenipotentiaries of the United States of America and by the plenipotentiaries of the other American Republics.

I transmit also, for the information of the Senate, the report which the Acting Secretary of State has addressed to me in regard to the Charter above mentioned, together with a copy of the report of the United States delegation on the Bogotá Conference.

The principles, purposes, and provisions of the Charter have my complete and wholehearted approval and I am happy to recommend the Charter to the favorable consideration of the Senate.

HARRY S. TRUMAN

NOTE: The Charter was favorably considered by the Senate on August 28, 1950, and after ratification entered into force on December 13, 1951. It was proclaimed by the President on December 27, 1951.

The Charter and related documents are printed in Executive A (81st Cong., 1st sess.).

10 Special Message to the Senate Transmitting Inter-American Convention on the Granting of Political Rights to Women. *January* 13, 1949

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of the Inter-American Convention on the Granting of Political Rights to Women, formulated at the Ninth International Conference of American States, and signed at Bogotá, Colombia, on May 2, 1948, by the plenipotentiaries of the United States of America and by the plenipotentiaries of other American Republics.

I transmit also, for the information of the Senate, the report which the Acting Secretary of State has addressed to me in regard to this convention.

The purpose of this convention, and the principle underlying it, have my complete

and wholehearted approval and I am happy to recommend the convention to the favorable consideration of the Senate.

HARRY S. TRUMAN

NOTE: The convention and the report of Robert A. Lovett, Acting Secretary of State, are printed in Executive D (81st Cong., 1st sess.). As of June 1964 the Convention was still pending before the Senate Committee on Foreign Relations.

11 The President's News Conference of *January* 13, 1949

THE PRESIDENT. [1.] Gentlemen, I have no special announcements to make, except that I was in the White House and the Blair House since 6:30 last night [1]—[*laughter*]—and if you have any questions, I will be glad to try to answer them.

[2.] Q. Mr. President, what can you tell us about your interview today with Sir Oliver Franks? [2]

THE PRESIDENT. I can tell you nothing.

Q. Thank you. [*Laughter*]

[3.] Q. There have been indications from abroad of a possible Soviet peace offensive. Have there been any new developments that would lead to a meeting between yourself and Stalin?

THE PRESIDENT. None that I know of.

Q. Is your position the same on that, Mr. President, that you will be glad to see Mr. Stalin any time he comes to Washington?

THE PRESIDENT. Yes.

[4.] Q. Mr. President, do you have under consideration the appointment of any women to high positions in Government?

THE PRESIDENT. Oh yes, lots of them under consideration. [*Laughter*]

Q. Lots of women, sir?

THE PRESIDENT. Yes.

Q. To the Cabinet, sir?

THE PRESIDENT. Not necessarily.

[5.] Q. Mr. President, can Mr. Forrestal's remarks be taken to mean that he is now a permanent member of your Cabinet?

THE PRESIDENT. Mr. Forrestal's remarks say just what they mean. I think he made it perfectly plain.[3]

Q. We didn't hear that, Mr. President.

THE PRESIDENT. Mr. Forrestal's remarks were perfectly plain, and I think they mean what he said.

[6.] Q. Mr. President, in your messages to the Congress, you suggest raising the taxes in the middle and upper income brackets.

THE PRESIDENT. That's right.

Q. What do you consider the middle and upper brackets?

THE PRESIDENT. The Treasury considers the middle and upper brackets begin about $6,000 a year, from there up to about $25,000 or $30,000 a year. It's a matter of point of view. If you are getting $6,000 a year, you probably would consider $10,000 the—[*Laughter*]

Q. Mr. President, the point that brings this up is that President Roosevelt, I believe, held the view that incomes ought to level off

[1] President Truman flew to Pinehurst, N.C., on January 12 to visit Secretary of State George C. Marshall who was convalescing from an operation. The trip had been kept confidential and came as a surprise to both Secretary Marshall and members of the press.

[2] Sir Oliver Shewell Franks, British Ambassador to the United States.

[3] According to reports in the press, on January 11 Secretary of Defense James Forrestal stated, after an interview with the President, that he expected to remain in the Cabinet.

about $25,000 a year, and that ought to be about the maximum take-home pay. Is that your view also?

THE PRESIDENT. I have no set view on the subject. I think if a man has got brains enough to know enough about the tax laws of the United States to make more than $25,000 a year, he is probably entitled to make it.

[7.] Q. Mr. President, with regard to doing something about the Taft-Hartley law, would you care to say whether you are a "one package" man, or a "two package" man? [4] [*Laughter*]

THE PRESIDENT. I don't want to get into any controversy between committees of the House and the Senate. I tried to make my position perfectly clear in the Message on the State of the Union.

Q. Mr. President, Congressman Lesinski, the new House Chairman——

THE PRESIDENT. Lesinski,[5] yes.

Q. ——was in here the other day——

THE PRESIDENT. Yes.

Q. ——and reported that you approved his—tentatively or practically approved his one package——

THE PRESIDENT. I prefer to let the House and the Senate settle their differences without my interference. I don't like for them to interfere in my business. And they are the legislative branch of the Government.

[8.] Q. Mr. President, although you have said that you do not care to discuss the Palestine situation, some London newspapers have printed the story that the five airplanes shot down were conducting reconnaissance at the request of the United States Government?

THE PRESIDENT. It isn't true.

Q. It isn't true?

THE PRESIDENT. It isn't true. Our position on the Palestine situation was stated on November 20th by Mr. Jessup before the Assembly in Paris.[6] That is as clear a statement as it could possibly be. That is as far as it is necessary to go, if you will read that statement by Mr. Jessup before the Assembly on November 20th.

Q. Mr. President, may we assume that that is what you told the Ambassador of Great Britain this morning?

THE PRESIDENT. You can assume anything you like. [*Laughter*]

Q. Mr. President——

Q. Mr. President, aside from that——

THE PRESIDENT. Wait a minute—let this young man go ahead.

Q. ——I was just going to ask whether you would give us some guidance as to whether we would be wise to assume that? [*Laughter*]

Q. Mr. President, some London newspaper dispatches today have said that the United States has given assurance to Britain that we will back with military action any action that they deem necessary in the Middle East. Could you comment on that?

THE PRESIDENT. I have no comment to make on that.

Q. Mr. President, there have been reports this afternoon that Sir Oliver Franks asked you to bring pressure to bear upon the State of Israel, with a view to bringing about Middle East peace?

[4] This refers to different approaches to the problem of repealing the Taft-Hartley Act and substituting an amended Wagner Act in its place. Under the one-package plan, the repeal and the substitution of an amended Wagner Act would be accomplished by a single bill. Under the two-package plan, the Wagner Act would be substituted for the Taft-Hartley Act by one bill, and amendments to the Wagner Act would be the subject of a separate bill.

[5] Representative John Lesinski of Michigan, Chairman of the House Education and Labor Committee.

[6] The statement on Palestine made in the Political and Security Committee of the United Nations General Assembly by Philip C. Jessup, United States delegate to the General Assembly, is published in the Department of State Bulletin (vol. 19, p. 657).

THE PRESIDENT. I have no statement to make on the conversation with the British Ambassador. I want you to read the statement before the United Nations Assembly as to our position on Palestine, and it will answer every question you have asked me.

Q. Mr. President, is that the November 20th statement that you refer to, on Jessup?

THE PRESIDENT. Yes.

Q. Well, did you make that suggestion when the gentleman asked you about the reconnaissance planes? Did that——

THE PRESIDENT. Oh, no—oh, no. The reconnaissance planes—there wasn't a word of truth in that at all.

Q. You immediately followed it by saying Jessup's statement covered everything.

THE PRESIDENT. Jessup's statement covers everything in connection with our statement on the situation in the Near East, and that is being handled by a United Nations Commission now, of which we are a member. That is the reason I am not commenting on these questions.

[9.] Q. Mr. President, would you comment on the reports that Rabbi Samuel Thurman would be named—nominated as Ambassador to Israel?

THE PRESIDENT. I haven't heard about it.

[10.] Q. Mr. President, there was also a report from abroad——

THE PRESIDENT. What was it you wanted to ask?

Q. Mr. President——

THE PRESIDENT. Wait!—they're coming too fast for me.

Q. There was also a report from abroad that relations between Britain and this country are strained. Is that——

THE PRESIDENT. They are not. What was your question?

[11.] Q. Mr. President, some of the Congressmen—perhaps you would call them logrollers—are distressed at the cutbacks in the veterans hospitals. Was this cutback based on Dr. Magnuson's [7] recommendations, or the Hoover Commission's report?

THE PRESIDENT. The cutback was based on the recommendations of the Veterans Administration.

Q. Mr. President, would you consider reconsidering any of those cancellations?

THE PRESIDENT. I think that the Veterans Administration survey was accurate and correct, and I shall stand by that recommendation of the Veterans Administration.

[12.] Q. Mr. President, the Atomic Energy Commission is reported to have approved Dr. Graham for atomic security over the objections of the Security Board headed by Owen Roberts. Would you comment?

THE PRESIDENT. Do you know for sure that there were objections to Dr. Frank Graham? I have the utmost confidence in Dr. Frank Graham. I think the Atomic Energy Commission also concurs; and I think it's a great mistake that anybody objects to his being approved. At least, I hope it's a mistake, because they would be wrong.

[13.] Q. Mr. President, have you issued any instructions to your Armed Forces with respect to discussing the 70-group air force before congressional committees?

THE PRESIDENT. The budget, as it was sent to the Congress, ought to be supported by all the sections of the defense departments.

[14.] Q. Mr. President, can you tell us any more about your conversations with Secretary Marshall yesterday?

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[7] Dr. Paul B. Magnuson, Chief Medical Director, Department of Medicine and Surgery, Veterans Administration.

THE PRESIDENT. The—Secretary Marshall and I had a very, very pleasant visit together. He enjoyed it, and so did I.

[15.] Q. Mr. President, can you tell us whether Ambassador Smith is going to return to Moscow?

THE PRESIDENT. No, I can't. I will tell you definitely about that. He doesn't want to return there, but he will if it becomes necessary, as the Ambassador's health is not very good at the present time. I don't want to make any comment on what he is going to do yet.[8]

[16.] Q. Mr. President, there is a report from Manila that the President of the Philippines is coming here next week. Can you say anything about that?

THE PRESIDENT. I hadn't heard about it.

[17.] Q. Mr. President, I understand that there is some disappointment here because you failed to recommend home rule for the District of Columbia in your State of the Union Message. The last time you recommended it was in the civil rights message.[9]

THE PRESIDENT. I think I included the civil rights in the Message on the State of the Union, and I think it's covered. The civil rights message was referred to and made a part of the Message on the State of the Union.

Q. This time?

THE PRESIDENT. This time.

[18.] Q. Mr. President, ordinarily you hold Cabinet meetings on Friday. Do you expect to receive any farewell presents from members of the Cabinet?

THE PRESIDENT. No, I don't.

Q. No farewells!

THE PRESIDENT. Why don't you ask a straight question?

Q. For guidance of reporters who are confused, will there be any changes in the Cabinet before your inauguration?

THE PRESIDENT. No, there will not. Mr. Acheson won't be sworn in until after the inauguration. That will answer your question there.

Q. How soon after inauguration might we expect——

THE PRESIDENT. Well, you will just have to wait and see. You never can tell.

[19.] Q. Mr. President, will you ask Congress to pass the inter-American military standardization bill?

THE PRESIDENT. Yes.

[20.] Q. Mr. President, does the proposed size of the Air Force represent an improvement in the international situation?

THE PRESIDENT. It's—I don't want to answer that question in that manner in which you have asked it. I think the proposed size of the Air Force is an adequate one. That's the way I will answer your question.

[*Pause*]

Reporter: Thank you, Mr. President. [*Laughter*]

THE PRESIDENT. What's the matter? Have you run out of questions? [*More laughter*]

NOTE: President Truman's one hundred and sixty-fifth news conference was held in his office at the White House at 4 p.m. on Thursday, January 13, 1949.

[8] The President's letter accepting the resignation of Walter Bedell Smith as Ambassador to the Soviet Union was released by the White House on March 25, 1949. General Smith served as Ambassador from March 22, 1946, through March 25, 1949.

[9] See 1948 volume, this series, Item 20.

12 Special Message to the Congress Requesting Permanent Reorganization Legislation. *January* 17, 1949

To the Congress of the United States:

In my recent messages to the Congress I have presented the program which I believe this Government should follow in the months ahead. The magnitude and importance of that program, both at home and abroad, require able leadership and sound management. The Government must have the most effective administrative machinery to carry out its vast responsibilities.

The Congress has recognized these needs by the establishment of the Commission on the Organization of the Executive Branch of the Government. The recommendations of the Commission, which are soon to be reported to the Congress, may be expected to contribute significantly to our ability to meet the problem before us. The implementation of the Commission's recommendations and the accomplishment of other improvements in the Government's complex operations, however, will require further and more detailed actions. Improving the management of the public's business calls for continuing efforts by the Congress, the President, and all agencies of Government.

Throughout my administration I have taken action to effect improvements in the organization and operation of the Government. In 1945 I asked the Congress to enact legislation authorizing permanent changes in administrative structure by the reorganization plan procedure. Under the authority granted by the Reorganization Act of 1945, numerous reorganizations were made which contributed to the efficiency of the Government and its transition from war to peace. The establishment of the permanent Housing and Home Finance Agency was an outstanding example of the improvements thus achieved. I also recommended, and the Congress enacted, a major improvement in the organization of our armed forces by the creation of the National Military Establishment. On matters not requiring legislation I have made program adjustments designed to increase the effectiveness of governmental operations.

It is my firm intention to continue to require, throughout the Executive Branch, the highest degree of attention to this need for improved management. I expect each department and agency head to consider this a major part of his responsibility. It is essential that they be given the tools for effective management of their agencies. Further, I believe that every official and employee of the Government should feel a personal responsibility for improving the way in which his work is performed.

Increased efficiency and economy in the Government's far-flung activities can be realized only if certain essentials of organization and operation are satisfied. These essentials are not confined to Government. They have proven their effectiveness in the successful operation of large-scale enterprise, both public and private. They are matters on which it is easy to agree in principle but which are often violated in practice.

There must be, first of all, a clear definition of the objectives of public programs. Second, organizational arrangements must be established which are consistent with those objectives and designed to produce responsible and effective administration. Third, qualified personnel must be obtained to administer the programs. Fourth, the methods by which operations are conducted must be constantly reviewed and improved. Fifth, there must be provision for thoroughgoing review and evaluation of operations,

by the President and the Congress, to assure that the objectives are being attained. These conditions can be achieved only through teamwork by the President and the Congress in carrying out their respective responsibilities under the Constitution for conducting the affairs of Government.

I have already recommended to the Congress two measures which will help us obtain better government. The enactment of legislation to increase the compensation of the heads and assistant heads of departments and agencies and to revise the Classification Act will greatly assist the Government in securing and holding the services of the best qualified men and women. The appropriation to the President of a special fund of one million dollars for management improvement will yield major contributions to the better operation of the Government. It will be used in part for the development and installation of recommendations coming from the Commission on Organization of the Executive Branch. This fund will in no sense be a substitute for the present day-to-day efforts by all Government agencies to improve the conduct of their operations.

In addition to these steps, I am now recommending that the Congress enact legislation to restore permanently the reorganization procedure temporarily provided by the Reorganization Acts of 1939 and 1945. This procedure is the method of Executive-Legislative cooperation whereby a reorganization plan submitted to the Congress by the President becomes effective in sixty days unless rejected by both houses of the Congress.

In a letter to the President of the Senate and the Speaker of the House of Representatives, the Commission on the Organization of the Executive Branch of the Government has pointed out the need for such a method of reorganization in dealing with many of the changes which it will recommend. I fully agree with the Commission on the necessity of reviving the reorganization plan procedure, which became inoperative on April 1, 1948.

In recommending the enactment of a new reorganization measure, I wish to emphasize three things.

First, the reorganization legislation should be permanent rather than temporary. While the work of the Commission on the Organization of the Executive Branch of the Government makes such legislation especially timely and essential, the improvement of the organization of the Government is a continuing and never-ending process. Government is a dynamic institution. Its administrative structure cannot be static. As new programs are established and old programs change in character and scope to meet the needs of the Nation, the organization of the Executive Branch must be adjusted to fit its changing tasks.

The impracticability of solving many problems of organization by the regular legislative process has been frankly recognized for many years by Congressional leaders. In many cases, changes which are essential cannot attract the necessary legislative attention in competition with the many other matters pressing for Congressional action. On the other hand, the reorganization plan affords a method by which action can be initiated and the proposal considered with a minimum consumption of legislative time.

The reorganization plan procedure is a tested and proven means of dealing with organization problems. Twice within the last ten years the Congress has authorized this method of reorganization for short periods. Under each of those authorizations many changes were made which added to the efficiency of the Executive Branch and tended to simplify its administration. The advances made during the brief life of the

Reorganization Acts of 1939 and 1945 clearly indicate the desirability of permanent reorganization legislation.

Second, the new reorganization act should be comprehensive in scope; no agency or function of the Executive Branch should be exempted from its operation. Such exemptions prevent the President and the Congress from deriving the full benefit of the reorganization plan procedure, primarily by precluding action on major organizational problems. A seemingly limited exemption may in fact render an entire needed reorganization affecting numerous agencies and functions wholly impractical. The proper protection against the possibility of unwise reorganization lies, not in the statutory exemption from the reorganization plan procedure, but in the authority of Congress to reject any such plan by simple majority vote of both Houses.

Finally, let me urge early enactment. Under the reorganization procedure, reorganization plans must lie before the Congress for 60 calendar days of continuous session in order to become effective. Unless the necessary legislation is adopted in the early weeks of the session, it obviously will be impossible to make effective use of the reorganization procedure during the present session.

The proper execution of the laws demands a simple, workable method of making organizational adjustments. Without it the efficiency of the Government is impaired and the President is handicapped in performing his functions as Chief Executive. In my judgment permanent legislation to restore the reorganization plan procedure is an essential step toward efficient and economical conduct of the public's business.

HARRY S. TRUMAN

NOTE: For the President's special message to the Congress upon signing the Reorganization Act of 1949, see Item 127.

13 Special Message to the Senate Transmitting Convention on Wage and Hour Statistics in Principal Mining and Manufacturing Industries. *January* 17, 1949

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith an authenticated copy of the text of a convention concerning statistics of wages and hours of work in the principal mining and manufacturing industries, including building and construction, and in agriculture (No. 63), adopted by the International Labor Conference at its twenty-fourth session held at Geneva, June 2–22, 1938.

This is the same convention which was transmitted to the Senate with the message of the President of April 24, 1939, with a recommendation favorable to ratification. As the Senate did not find it possible to take action with respect to the convention during the war, I informed the Senate of my desire to withdraw it for further study and consideration in the light of developments since 1939, and on April 17, 1947, the Senate directed that the convention be returned to me.

A fresh appraisal has been made of the provisions of the convention, and the Departments of State, Labor, and Agriculture have indicated that in their opinion the con-

vention should be ratified. In this connection, I transmit herewith the report on the convention made to me by the Acting Secretary of State and copies of communications from the Secretary of Labor and the Assistant Secretary of Agriculture with regard to the convention.

In view of the desirability of furthering international efforts to assure the development of uniform statistics relating to basic economic enterprises, I request that the Senate give its advice and consent to ratification of this convention, subject to the understanding that, in accordance with the provisions of article 23 thereof, the convention shall apply only to the continental United States.

HARRY S. TRUMAN

NOTE: The convention and related documents are printed in Executive G (81st Cong., 1st sess.).

14 Message in Response to Governor Dewey's Inaugural Greetings. *January* 18, 1949

My dear Governor Dewey:

I deeply appreciate your message of congratulations. Good wishes such as yours strengthen me for the tasks that lie ahead. My warmest thanks go to you for this renewed evidence of the firmness of the foundation on which our democracy rests. With all good wishes, sincerely yours,

HARRY S. TRUMAN

[The Honorable Thomas E. Dewey, Governor of New York, Albany, New York.]

NOTE: Governor Dewey's message of January 18, released with the President's reply, reads as follows:

The President,
The White House

My heartiest congratulations to you upon your inauguration as President of the United States. I join with all other Americans in wishing you good health and divine guidance in your every labor for the peace of the world and the welfare of the people of our country.

Sincerely yours,

THOMAS E. DEWEY

15 Remarks at the Truman-Barkley Dinner. *January* 18, 1949

THANK YOU very much. This is a wonderful, wonderful demonstration of what a man's friends think of him.

You know, both my "bosses" are sitting here at this table. I always called Barkley boss, too, and always had for as long as I can remember. So when they tell me what to do, I sometimes do it.

But I will say this, that as long as I was a Member of the United States Senate, when my leader in the United States Senate decided on a policy that the Democratic Party should pursue, I followed that leader in pursuit of that policy, and I think that's a good plan.

Incidentally, I am putting out a little propaganda.

I have the pleasure and the privilege to present to you at this time the daughter of the Vice President of the United States, a most gracious lady, Mrs. Max Truitt.

I found in the Senate that an ordinary Senator didn't have a Chinaman's chance with oratory or the presentation of the situa-

tion, after the Leader of the Democratic majority at that time had spoken his piece. You can understand the position in which I am in now. Barkley got the floor first, and he made my speech.

But I am in agreement with most of the things he said, and I am sure that we will be in substantial agreement on the policies and principles of government for the next 4 years.

No President in the history of the country was ever more fortunate in the President of the Senate than I am in having Vice President Barkley. Barkley and I have been going along with the Democratic Party ever since we can remember, and he is somewhat younger than I am. And we have always been in accord, both of us, with the policies and the principles of the Democratic Party, as set out by Thomas Jefferson, Andrew Jackson, Woodrow Wilson, and Franklin D. Roosevelt.

As the Senator has said, I am the President, he is the President of the Senate. We expect to carry out the policies and principles laid down in the Democratic platform, and that is the reason I am anxious for the Senators and the Representatives who are Democrats in the Congress of the United States, to cooperate with us, and I know that is exactly what they are going to do.

We are faced with a serious situation. No one, I think, in the history of the country ever assumed a greater responsibility than I did on the 12th day of April, at 7:09 in the afternoon, when I was sworn in after the death of our great President, Franklin Roosevelt.

It was necessary for me, at that time, to assume an almost unbearable burden. I was willing to assume it because that was my duty. I did the best I could with it over the period from April 12, 1945, until the present day. And I had not much cooperation after September 6, 1945, for the simple reason that at that time I enunciated the principles of the Democratic platform of 1944, which I had helped to write, and on which I had been elected with the President of the United States.

When it became necessary to meet the situation head-on, Senator Barkley and I at the Philadelphia Convention enunciated the principles on which we expected to run for President and Vice President of the United States. Senator Barkley enunciated those principles in the keynote speech of the Democratic Convention in Philadelphia. If you remember, a little bit after 2 o'clock in the morning, the last day of that convention, I enunciated the principles on which we were going to be re-elected.

And then, right here at this table, almost in exactly the same position, at the Jackson Day Dinner, I informed the Democrats who were present at that time that they were looking at the next President of the United States, and I was the man.[1]

Now, Senator Barkley and I have a tremendous responsibility, the greatest burden, I think, that any President and Vice President of the United States ever had in the history of the country.

We are going to assume that burden, and we are going to do our best to carry out the things that are necessary to meet the situation with which we are faced, in this country and in the world.

But, we can't do that unless you, and the Congress, and the people of these United States get behind us and help us carry out those principles that are necessary, to get

[1] For the Jefferson-Jackson Day Dinner address see 1948 volume, this series, Item 32. See also the President's remarks at the Young Democrats dinner on page 259 of the same volume.

the things done, to get the peace in this world that we need and that we are going to have.

I do appreciate most highly the efforts of this wonderful Truman-Barkley Club. It has done a wonderful job for the Democratic Party.

Now, don't let this organization pass out. Keep it alive.

In 1950 we are going to need a cooperative Congress, just as badly as we need the 81st, and we don't want to elect another 80th Congress in 1950. It is up to you to help.

I can't tell you how very much I appreciate the privilege of being with you tonight, and how much I have enjoyed the party, and how much I expect to enjoy the party a little later. Barkley is pulling at my coat.

NOTE: The President spoke at 9:02 p.m. in the Main Ballroom of the Mayflower Hotel in Washington.

The President's reference to his "bosses" referred to Mrs. Truman and to Vice President-elect Barkley, who was Senate Democratic Majority Leader when Mr. Truman was a Senator.

The remarks were televised.

16 Remarks at a Luncheon of the Finance Committee of the Democratic National Committee. *January* 19, 1949

Mr. Chairman of the Finance Committee, and members of the Finance Committee:

I simply want to thank you from the bottom of my heart for the job you have done. I never was, in my political career, connected with the necessary dollar-raising section of the political game. It is necessary, nevertheless, that a political party have the sinews of war with which to operate.

I have always been exceedingly lucky to have people with me who were willing to make the effort to raise the necessary finances so that the party with which I have been connected, ever since I was old enough to be connected with a party, could function.

There were times in this campaign when we were pretty well strapped. We couldn't buy radio time, we couldn't even pay for the transportation of the President from one end of the country to the other to make his campaign. But we did get Louis Johnson interested in the situation, and from the time he began operations, we were able to make the necessary tours and get some of the radio time necessary to tell the people of the United States what the issues really are, and were.

I have always been an optimist. I have always believed that right would prevail. I have labored under the idea that if the people of the country understood clearly what the issues were in this campaign, they would only vote one way.

We succeeded in getting that idea sold to the public through the efforts of all of you, through the efforts of the Vice President, through the efforts of the Speaker of the House, through the efforts of the chairman of the Democratic Committee, and through the efforts of all those of you who have from the beginning been Democrats at heart.

And Democrats are those people who believe that the welfare of the whole country is much more important than the welfare of any individual in it.

Thanks to the efforts of all of you, thanks to the efforts of the people who were interested in the welfare of the country as a whole, on November the 2d the people expressed their will.

Now, that is only the beginning—that is only the beginning. We made the issues. We expressed our convictions. We said in

the platform at Philadelphia what we stand for. We have a Democratic Congress and a Democratic Senate and Democratic House of Representatives. It is the business of every one of you gentlemen, from now on, to help the Vice President, the Speaker, and the President of the United States to implement that program in such a way that the welfare of the country will continue to be in the interest of all the people.

I am sure that is what you will do.

Louis Johnson says the Finance Committee is resigning as of today. That's what you think! As long as I am President, you are in the harness, and you are going to stay there, because you brought this situation about by the help which you gave to the Democratic Party.

Now you have got to help the Democratic Party to implement that program for which we stand.

There has been a great deal of controversy in the last week: since November the 2d, particularly since January 3d, as to protocol and precedence. When I call the "Big Four" down for consultation, there is an argument out in Matt Connelly's office as to who comes into my office first, the Speaker or the prospective Vice President.

Now it has been that up to date, and up until tomorrow at 12 o'clock, the Speaker has had the advantage, and I am going to give him the advantage right now. He is still, according to protocol, ahead of Senator Barkley.

[*At this point Sam Rayburn, Speaker of the House of Representatives, said a few words, the text of which was not released. The President then resumed speaking.*]

I once nominated Sam Rayburn for Vice President of the Senate in San Francisco. You remember that, don't you, Sam? Now I rather think it is——

Senator Tom Connally: That was in the twenties.

THE PRESIDENT. Tom Connally says it was in the twenties. Well, this was not a convention, Tom, it was at a meeting in San Francisco. I just publicly nominated him, not at a convention.

You are very kind to me, Sam, and I hope I can live up to the things you say. I doubt very much whether I can or not because I am just an ordinary human being who has been lucky—or unlucky, whichever way you want to look at it—and I have always said that I'm sure there are a million men in the United States, no doubt, who could do the job much better than I can, or could do it. But I have a job, and I have to do it, and the rest of you have got to help me.

I now want to let the man who will rank the Speaker of the House, tomorrow at noon, speak for himself. The Senator from Kentucky!

[*At this point Vice President-elect Barkley spoke; his remarks were not released. The President then resumed speaking.*]

I said last night, I think, that no President in the history of the country has been more ably assisted in the conditions that now face us as I am now with Sam Rayburn, the Speaker of the House; Senator Barkley, the President of the Senate; Senator Connally, chairman of the Foreign Relations Committee; Howard McGrath, chairman of the National Democratic Committee; and all the rest of the people that I could name who are now members of the executive and legislative branches of the Government. We should be able to meet the situation with which we are faced, and put over the program.

Again, I want to say to you that I am exceedingly grateful to all of you gentlemen,

and ladies, and I am extremely grateful to the men who have contributed to this victory which took place on November the 2d. All of you made a contribution that was absolutely necessary, in order for us to win.

I had a conversation this morning with a former Congresswoman from the far West, and she said the most remarkable thing to her was that the people who always like to be on the bandwagon with the winning side voted their sentiments when they thought they were going to lose, and therefore the expression of the people was from the heart. And that is why we won.

I want to thank Joe Blythe for what he did as Treasurer. I want to thank every one of you individually and collectively, and I sincerely wish that there was time to say what I think about each one of you. It would all be printable.

Every single one of you—the sinews of the Democratic Party are here. As I say, the leaders in the Government, the Cabinet, the executive and the legislative branches of the Government are here. And I know that with an organization like this behind us, we can win.

I want to thank you for that gold key, and I know that Senator Barkley is appreciative of his, and I am going to make your speech on that for you.

I don't know why he rates the cowbell, because there are more cows in Missouri than there are in Kentucky. You want to give him a cowbell—he will need it when he becomes the Presiding Officer of the Senate. Nobody knows that better than I do, because I have been there.

Vice President-elect Barkley: I'll need a little bull, too.

THE PRESIDENT. Missouri can furnish you with a bull.

It's getting late in the afternoon. I am sincerely sorry that it is. I think, Mr. Chairman, that we had better close the meeting.

Thank you very much.

NOTE: The President spoke at 2:35 p.m. in the Main Ballroom of the Mayflower Hotel in Washington. His opening words, "Mr. Chairman of the Finance Committee," referred to Louis Johnson, chairman of the Finance Committee of the Democratic National Committee. Later he referred to Matthew J. Connelly, Secretary to the President, and Joseph L. Blythe, treasurer of the Democratic National Committee.

17 Remarks at a Dinner of the Presidential Electors Association. *January* 19, 1949

Mr. President of the Presidential Electors Association, and guests, and fellow citizens:

You know, this is a great occasion. This meeting here tonight—and those various other meetings I have attended today, and am going to attend tomorrow—is a symbol of this great American Government of ours.

On election day I voted at an hour that was convenient to the White House photographers, so they wouldn't have to get up too early. And I paid a visit to the Democratic headquarters, in the outside precincts of Jackson County, where I was raised; and then I paid a visit to the headquarters of the Democratic organization in Kansas City. And then I decided that I would go and take a rest for the evening. And then, for some reason or other, the reporters weren't on the job. So I got a very pleasant evening over in Excelsior Springs, which is a resort—a very famous resort.

Years ago, there was a gentleman from

Kansas City who went to Baden Baden in Germany, when that was a great resort. And the doctors over there told him that the difficulty he was suffering from could be cured only at a little town in Missouri called Excelsior Springs. It was only 28 miles from where he started!

I had my sandwich and glass of buttermilk, and went to bed at six-thirty. And along about 12 o'clock, I happened to wake up, for some reason or other, and the radio was turned on, to the National Broadcasting Company. And Mr. Kaltenborn and Mr. Harkness were reporting the situation as it then developed.

Mr. Kaltenborn was saying, "While the President is a million votes ahead of the popular vote, when the country vote comes in, Mr. Truman will be defeated by an overwhelming majority."

Mr. Harkness came on, and analyzed the situation as it was then, and as Mr. Kaltenborn had recorded it. And to the sorrow of myself, and to those who were listening with me, it looked very much as if the election would be thrown into the House of Representatives, because of course, it was not possible for me to get a majority of the electoral votes. I went back to bed, and went to sleep.

About 4 o'clock in the morning, the Chief of the Secret Service came in and said, "Mr. President, I think you had better get up and listen to the broadcast. We have been listening all night."

And I said, "All right." I turned the darn thing on, and there was Mr. Kaltenborn again. Mr. Kaltenborn was saying, "While the President has a lead of 2 million votes, it is certainly necessary that this election shall go into the House of Representatives. He hasn't an opportunity of being elected by a majority of the electoral votes of the Nation!"

And Mr. Harkness came on and analyzed the situation.

I called the Secret Service men in, and I said, "We'd better go back to Kansas City, it looks as if I'm elected!"

Along about 10 o'clock, I had a telegram which said that the election was over, and that I should be congratulated on the fact that I had won the election. Apparently it was too bad, but it happened!

That has been the attitude from the time I took my nonpolitical trip across the country. But, for some reason or other, the situation had not been analyzed as I myself had analyzed it, and I found that the people were interested in the welfare of this great Nation, and that they wanted to continue the forward progress of the country and the world.

And so, on November the 2d, they decided that they would burden me with the responsibility of carrying that progress on.

I was not in any way elated over the election. In no sense did I feel that anything unusual had happened to me. I felt only the responsibility, and that is what we are faced with now.

I am highly appreciative of the electors who voted—the 303 electors who voted for me as President—and I am not in any way interested in the analyses which have been made of the vote, which would show—when those analyses were made by Mr. Gallup, and Mr. Kaltenborn, and Mr. Harkness—that in all probability there ought to be a proportionate arrangement of the electoral votes, so that I wouldn't have been elected. I am interested only in seeing this great Nation assume its position of responsibility, which God Almighty in 1920 intended that we should assume, and which we did not assume.

We are going to do that. And we are going to do it so that it will be for the benefit of all the people of the world. Not for the

selfish benefit of the United States, or any other nation, but for the benefit of all the world together, in the hope that if we do that, our children and grandchildren will not have to do what we did, and what our children did, in two awful wars in less than half a century.

I am sure we can do it. I know that with the cooperation of all the right-minded people in the United States, and with the cooperation of those people in the world who believe that honesty and morality are the bases on which the welfare of the human race rests, we will get the job done.

Now, thank you for this great demonstration. Thank you for this dinner, in honor of the election that was for the United States. I am in favor of letting the constitutional provision, which provides for electors, continue as it has continued for the last 160 years, and the country will be all right.

Now, it is necessary, on account of the festivities that are going on in the city of Washington, that Mrs. Truman and Margaret and myself have engagements which prevent our remaining with you for the rest of the evening. I hope you will appreciate the fact that we have to appear at all these festivities, because they are for us, and we appreciate them—we want to show our appreciation. I hope you will forgive us if we leave you immediately.

NOTE: The President spoke at 8:25 p.m. at the Mayflower Hotel in Washington. His opening words referred to Michael F. Doyle, president of the Presidential Electors Association. Later in his remarks the President referred to Hans V. Kaltenborn and Richard L. Harkness, radio news commentators of the National Broadcasting Company, and George H. Gallup, director of the American Institute of Public Opinion.

18 Remarks at the Battery D Breakfast. *January* 20, 1949

I WANT to tell you how very much I appreciate your coming. I consider it a great personal tribute to me, not as President of the United States, but as your former Battery Commander.

You have a place of honor in the parade, and I am satisfied that although some of you may have rubber tires around here, you can make that mile and a quarter at 120-to-the-minute without any trouble.

[*At this point the President was presented with a walking stick. He then resumed speaking.*]

Well, that is wonderful! That is the symbol of our Battery, which is marked D–129. That is a beautiful walking stick. I use one every morning. I was intending to walk up here this morning, but I was afraid to wear out the newspaper correspondents, so I came in the car.

But I appreciate that most highly. It is something I can use, something that is worthwhile, and something that my daughter can perhaps some day give to my grandson.

I want again to thank you, and tell you how much I appreciate this honor you have paid me.

NOTE: The President spoke at 7:45 a.m. in the Sapphire Room of the Mayflower Hotel in Washington. During World War I the President was Captain of Battery D, 129th Field Artillery, 35th Division.

19 Inaugural Address.
January 20, 1949

[Delivered in person at the Capitol]

Mr. Vice President, Mr. Chief Justice, fellow citizens:

I accept with humility the honor which the American people have conferred upon me. I accept it with a resolve to do all that I can for the welfare of this Nation and for the peace of the world.

In performing the duties of my office, I need the help and the prayers of every one of you. I ask for your encouragement and for your support. The tasks we face are difficult. We can accomplish them only if we work together.

Each period of our national history has had its special challenges. Those that confront us now are as momentous as any in the past. Today marks the beginning not only of a new administration, but of a period that will be eventful, perhaps decisive, for us and for the world.

It may be our lot to experience, and in a large measure bring about, a major turning point in the long history of the human race. The first half of this century has been marked by unprecedented and brutal attacks on the rights of man, and by the two most frightful wars in history. The supreme need of our time is for men to learn to live together in peace and harmony.

The peoples of the earth face the future with grave uncertainty, composed almost equally of great hopes and great fears. In this time of doubt, they look to the United States as never before for good will, strength, and wise leadership.

It is fitting, therefore, that we take this occasion to proclaim to the world the essential principles of the faith by which we live, and to declare our aims to all peoples.

The American people stand firm in the faith which has inspired this Nation from the beginning. We believe that all men have a right to equal justice under law and equal opportunity to share in the common good. We believe that all men have a right to freedom of thought and expression. We believe that all men are created equal because they are created in the image of God.

From this faith we will not be moved.

The American people desire, and are determined to work for, a world in which all nations and all peoples are free to govern themselves as they see fit, and to achieve a decent and satisfying life. Above all else, our people desire, and are determined to work for, peace on earth—a just and lasting peace—based on genuine agreement freely arrived at by equals.

In the pursuit of these aims, the United States and other like-minded nations find themselves directly opposed by a regime with contrary aims and a totally different concept of life.

That regime adheres to a false philosophy which purports to offer freedom, security, and greater opportunity to mankind. Misled by that philosophy, many peoples have sacrificed their liberties only to learn to their sorrow that deceit and mockery, poverty and tyranny, are their reward.

That false philosophy is communism.

Communism is based on the belief that man is so weak and inadequate that he is unable to govern himself, and therefore requires the rule of strong masters.

Democracy is based on the conviction that

man has the moral and intellectual capacity, as well as the inalienable right, to govern himself with reason and justice.

Communism subjects the individual to arrest without lawful cause, punishment without trial, and forced labor as the chattel of the state. It decrees what information he shall receive, what art he shall produce, what leaders he shall follow, and what thoughts he shall think.

Democracy maintains that government is established for the benefit of the individual, and is charged with the responsibility of protecting the rights of the individual and his freedom in the exercise of those abilities of his.

Communism maintains that social wrongs can be corrected only by violence.

Democracy has proved that social justice can be achieved through peaceful change.

Communism holds that the world is so widely divided into opposing classes that war is inevitable.

Democracy holds that free nations can settle differences justly and maintain a lasting peace.

These differences between communism and democracy do not concern the United States alone. People everywhere are coming to realize that what is involved is material well-being, human dignity, and the right to believe in and worship God.

I state these differences, not to draw issues of belief as such, but because the actions resulting from the Communist philosophy are a threat to the efforts of free nations to bring about world recovery and lasting peace.

Since the end of hostilities, the United States has invested its substance and its energy in a great constructive effort to restore peace, stability, and freedom to the world.

We have sought no territory. We have imposed our will on none. We have asked for no privileges we would not extend to others.

We have constantly and vigorously supported the United Nations and related agencies as a means of applying democratic principles to international relations. We have consistently advocated and relied upon peaceful settlement of disputes among nations.

We have made every effort to secure agreement on effective international control of our most powerful weapon, and we have worked steadily for the limitation and control of all armaments.

We have encouraged, by precept and example, the expansion of world trade on a sound and fair basis.

Almost a year ago, in company with 16 free nations of Europe, we launched the greatest cooperative economic program in history. The purpose of that unprecedented effort is to invigorate and strengthen democracy in Europe, so that the free people of that continent can resume their rightful place in the forefront of civilization and can contribute once more to the security and welfare of the world.

Our efforts have brought new hope to all mankind. We have beaten back despair and defeatism. We have saved a number of countries from losing their liberty. Hundreds of millions of people all over the world now agree with us, that we need not have war—that we can have peace.

The initiative is ours.

We are moving on with other nations to build an even stronger structure of international order and justice. We shall have as our partners countries which, no longer solely concerned with the problem of national survival, are now working to improve

the standards of living of all their people. We are ready to undertake new projects to strengthen a free world.

In the coming years, our program for peace and freedom will emphasize four major courses of action.

First, we will continue to give unfaltering support to the United Nations and related agencies, and we will continue to search for ways to strengthen their authority and increase their effectiveness. We believe that the United Nations will be strengthened by the new nations which are being formed in lands now advancing toward self-government under democratic principles.

Second, we will continue our programs for world economic recovery.

This means, first of all, that we must keep our full weight behind the European recovery program. We are confident of the success of this major venture in world recovery. We believe that our partners in this effort will achieve the status of self-supporting nations once again.

In addition, we must carry out our plans for reducing the barriers to world trade and increasing its volume. Economic recovery and peace itself depend on increased world trade.

Third, we will strengthen freedom-loving nations against the dangers of aggression.

We are now working out with a number of countries a joint agreement designed to strengthen the security of the North Atlantic area. Such an agreement would take the form of a collective defense arrangement within the terms of the United Nations Charter.

We have already established such a defense pact for the Western Hemisphere by the treaty of Rio de Janeiro.

The primary purpose of these agreements is to provide unmistakable proof of the joint determination of the free countries to resist armed attack from any quarter. Every country participating in these arrangements must contribute all it can to the common defense.

If we can make it sufficiently clear, in advance, that any armed attack affecting our national security would be met with overwhelming force, the armed attack might never occur.

I hope soon to send to the Senate a treaty respecting the North Atlantic security plan.

In addition, we will provide military advice and equipment to free nations which will cooperate with us in the maintenance of peace and security.

Fourth, we must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas.

More than half the people of the world are living in conditions approaching misery. Their food is inadequate. They are victims of disease. Their economic life is primitive and stagnant. Their poverty is a handicap and a threat both to them and to more prosperous areas.

For the first time in history, humanity possesses the knowledge and skill to relieve the suffering of these people.

The United States is pre-eminent among nations in the development of industrial and scientific techniques. The material resources which we can afford to use for assistance of other peoples are limited. But our imponderable resources in technical knowledge are constantly growing and are inexhaustible.

I believe that we should make available to peace-loving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations for a better life.

And, in cooperation with other nations, we should foster capital investment in areas needing development.

Our aim should be to help the free peoples of the world, through their own efforts, to produce more food, more clothing, more materials for housing, and more mechanical power to lighten their burdens.

We invite other countries to pool their technological resources in this undertaking. Their contributions will be warmly welcomed. This should be a cooperative enterprise in which all nations work together through the United Nations and its specialized agencies whenever practicable. It must be a worldwide effort for the achievement of peace, plenty, and freedom.

With the cooperation of business, private capital, agriculture, and labor in this country, this program can greatly increase the industrial activity in other nations and can raise substantially their standards of living.

Such new economic developments must be devised and controlled to the benefit of the peoples of the areas in which they are established. Guarantees to the investor must be balanced by guarantees in the interest of the people whose resources and whose labor go into these developments.

The old imperialism—exploitation for foreign profit—has no place in our plans. What we envisage is a program of development based on the concepts of democratic fair-dealing.

All countries, including our own, will greatly benefit from a constructive program for the better use of the world's human and natural resources. Experience shows that our commerce with other countries expands as they progress industrially and economically.

Greater production is the key to prosperity and peace. And the key to greater production is a wider and more vigorous application of modern scientific and technical knowledge.

Only by helping the least fortunate of its members to help themselves can the human family achieve the decent, satisfying life that is the right of all people.

Democracy alone can supply the vitalizing force to stir the peoples of the world into triumphant action, not only against their human oppressors, but also against their ancient enemies—hunger, misery, and despair.

On the basis of these four major courses of action we hope to help create the conditions that will lead eventually to personal freedom and happiness for all mankind.

If we are to be successful in carrying out these policies, it is clear that we must have continued prosperity in this country and we must keep ourselves strong.

Slowly but surely we are weaving a world fabric of international security and growing prosperity.

We are aided by all who wish to live in freedom from fear—even by those who live today in fear under their own governments.

We are aided by all who want relief from lies and propaganda—those who desire truth and sincerity.

We are aided by all who desire self-government and a voice in deciding their own affairs.

We are aided by all who long for economic security—for the security and abundance that men in free societies can enjoy.

We are aided by all who desire freedom of speech, freedom of religion, and freedom to live their own lives for useful ends.

Our allies are the millions who hunger and thirst after righteousness.

In due time, as our stability becomes manifest, as more and more nations come to know the benefits of democracy and to participate

in growing abundance, I believe that those countries which now oppose us will abandon their delusions and join with the free nations of the world in a just settlement of international differences.

Events have brought our American democracy to new influence and new responsibilities. They will test our courage, our devotion to duty, and our concept of liberty.

But I say to all men, what we have achieved in liberty, we will surpass in greater liberty.

Steadfast in our faith in the Almighty, we will advance toward a world where man's freedom is secure.

To that end we will devote our strength, our resources, and our firmness of resolve. With God's help, the future of mankind will be assured in a world of justice, harmony, and peace.

NOTE: The President spoke at 12:35 p.m. from a platform erected at the east front of the Capitol. Immediately before the address the oath of office was administered by Chief Justice Vinson.

Two Bibles were used in the inaugural ceremony—the Bible used at the swearing-in of the President on April 12, 1945, and a Gutenberg Bible presented by the citizens of Independence, Mo. The President's left hand rested on both Bibles while he took the oath. The Bible used at the swearing-in of the President was open at Matthew 5, verses 3–11. The Gutenberg Bible was open at Exodus 20, verses 3–17.

20 Remarks to the Women's Division of the Democratic National Committee. *January* 21, 1949

Mr. Chairman of the Democratic Committee, Mrs. Tillett, and Mrs. Edwards of the Women's Division of the Democratic National Committee, ladies and gentlemen:

I didn't get any tickets to this performance. After I had arrived here, I was informed that this was the only program during this week where tickets were not necessary!

I do appreciate most highly, ladies and gentlemen, what the Women's Division of the Democratic National Committee has done in organizing this meeting, and in presenting me with myself.

Nobody, of course, can understand what he looks like to other people. He can only see one side of himself, and if he looks in the mirror, he is not right sure whether that is true or not, because he thinks he's better looking than that.

But I am sure that the family will highly appreciate this gift, and they will also highly appreciate the fact that they don't have to leave it in the White House, because nearly everything that is given to a President is given to him in his official capacity as President of the United States, and he has no right to claim it as his own personal property. And besides, the Constitution won't let him accept a gift from any foreign power, or from anybody that may have business with the Government—which is perfectly right and proper, and ethical.

But, since this bronze has been given by the women of the Democratic Committee to the family of the President, we are going to have a pretty hard time leaving it in the White House.

I went down to the Capitol this morning to have breakfast with the Missouri delegation. In spite of the fact that I got to bed at 3 o'clock and got up at 5:30, I made it down there in time.

And Mr. Cannon, in introducing me, made the statement that he was introducing the most powerful man in the world, who is now President of the United States.

And I explained to the Congressman that I didn't think that was quite true, because I couldn't get my wife and daughter up to come with me!

So you see, you can be perfectly sure that this wonderful gift will remain in the family.

I do want to thank you most sincerely for this cordial expression of your kindness and admiration for your President. I hope that it will not be necessary, at some future date, to have it destroyed, as I have seen done with public men who have been awarded things of this kind, while they were yet alive. I hope that you will always feel that I should have had this in the beginning, and shall continue to have it in the future.

Thank you.

NOTE: The President spoke at 12:15 p.m. at the Departmental Auditorium in Washington. In his opening words he referred to Senator J. Howard McGrath, chairman of the Democratic National Committee, Mrs. Charles Tillett, vice-chairman of the Democratic National Committee, and Mrs. India Edwards, executive director of the Women's Division of the Democratic National Committee. Later he referred to Representative Clarence Cannon of Missouri.

The gift presented to the President was a bronze bust of himself. The artist was Felix de Weldon.

21 Special Message to the Congress Concerning Relief to Palestine Refugees. *January* 27, 1949

To the Congress of the United States:

I commend to the favorable consideration of the Congress the enclosed letter from the Acting Secretary of State and the accompanying draft legislation to authorize an appropriation for a special contribution by the United States to the United Nations for the relief of Palestine refugees. In submitting this proposed legislation, I wish to invite attention to the provisions of the resolution of the General Assembly of the United Nations emphasizing the critical situation of these refugees and urging all states members of the United Nations to make voluntary contributions as soon as possible to meet their needs.

HARRY S. TRUMAN

NOTE: The letter from Robert A. Lovett, Acting Secretary of State, dated January 14, 1949, is printed in House Document 46 (81st Cong., 1st sess.).

For the statement by the President upon signing the resolution for the relief of Palestine refugees, see Item 57.

22 The President's News Conference of *January* 27, 1949

THE PRESIDENT. [1.] I have a couple of announcements to make. I requested the Congress for an additional million dollars for disaster relief, to be used in part to meet critical conditions caused by snowstorms in Western States.

The supplemental estimate for the fiscal year 1949 would supplement an appropriation of $500,000 for disaster relief enacted last spring. Only $50,000 of the original amount still remains. Last spring 150,000 of the total was allocated to alleviate damage caused by floods in the Columbia River Basin. Within the last few days, an addi-

tional $300,000 has been provided to meet the current storm emergency.[1]

Did you all get that?

Then I want to announce——

Q. That's writing with both hands at once. [*Laughter*]

THE PRESIDENT. Writing with both hands at once! Well, I'll go slow on this.

Mr. Ross: We'll have that all mimeographed for you.

[2.] THE PRESIDENT. I have invited the Prime Minister of Canada to visit Washington on February 12. He has accepted the invitation, and it is expected that he will arrive in Washington on the evening of February 11, and will remain probably for 2 days.

The Prime Minister's acceptance of the invitation will permit us to renew his acquaintance—I became very well acquainted with him November 15, 1948—after having served first as Minister of Justice and then as Secretary of State for External Affairs since 1941. This will be the Prime Minister's first trip to the United States since he assumed his duties as Prime Minister. I meant to say that I am acquainted with him on my trip up—my visit to Canada. That was the first time I had met him, and I am inviting him down here for the purpose of becoming better acquainted with the Prime Minister of our neighbor.

Q. For bulletin purposes, what's his name? [*Laughter*]

THE PRESIDENT. I very carefully was trying to avoid it, because I don't know how to pronounce it: Louis St. Laurent—L-a-u-r-e-n-t—I don't know how to pronounce it—that's a French pronunciation. I wouldn't attempt to pronounce it. [*Laughter*] Tony,[2] you put me on the spot.

Q. I was myself on the spot.

Q. Mr. President, are there any specific questions you wish to take up with the Prime Minister of Canada?

THE PRESIDENT. No.

Q. Anything to do with the North Atlantic Security Pact, Mr. President?

THE PRESIDENT. None—nothing whatever. Just a friendly visit of the Prime Minister of Canada to the President of the United States.

[3.] Q. Mr. President, can you give us any background on the origin of point four?

THE PRESIDENT. The origin of point four has been in my mind, and in the minds of members of the Government, for the past 2 or 3 years, ever since the Marshall plan was inaugurated. It originated with the Greece and Turkey proposition. Been studying it ever since. I spend most of my time going over to that globe back there, trying to figure out ways to make peace in the world.

Q. Can you tell us how you are going to implement it?

THE PRESIDENT. It's a policy of the administration over the next 4 years, and it's something that will have to be implemented gradually. I have asked the Secretary of State to get together with the heads of the departments of the Government, and try to work out preliminary plans for an approach to it. I can't tell you just what is going to

[1] On January 29 the President wrote to Secretary Forrestal directing him to utilize such resources of the National Military Establishment as were appropriate to the relief of the disaster area, based on requests by the Federal Works Administrator. The letter continued as follows:

"The Departments of the National Military Establishment are authorized and directed to expend such sums as are required for this purpose from any funds now available to those departments, including funds available for river and harbor and flood control works of the Corps of Engineers, U.S. Army, without regard for existing apportionments. I will transmit to the Congress a request for such appropriations as may be considered necessary to replace such funds of the Departments of the National Military Establishment as may be used for this purpose."

[2] Ernest B. Vaccaro of the Associated Press.

take place, where it is going to take place, or how it is going to take place. I know what I want to do.

Q. Can you tell us what agencies, besides the Secretary of State——

THE PRESIDENT. Secretary of Commerce and Secretary of Agriculture—all the departments of Government will be interested in it.

Q. What about ECA?

THE PRESIDENT. ECA is doing it right now. That's what their job is. That's what their job is.

[4.] Q. Mr. President, does the United States plan to give recognition to the State of Israel any time soon?

THE PRESIDENT. I will answer that question when I am ready to do it.

[5.] Q. Mr. President, the property owners of St. Louis, and the landlords in other cities, have called meetings to consider mass eviction of tenants as a protest against rent control. What do you have to say about that?

THE PRESIDENT. I think it's a rather poor approach on their part. I don't think they are going to be able to do it. The Rent Control Administrator is working on that situation now. It originated in Oklahoma City and Tulsa, that great oil center down there. [*Laughter*]

[6.] Q. Mr. President, not for bulletin purposes, but for lead purposes, is there any other title we could give to point four?

THE PRESIDENT. I think it speaks for itself. All you need do is read the speech; it is perfectly plain. Doesn't seem to have confused any foreign government. The only people who seem to be confused about it are our own newspapers here at home. [*Laughter*]

[7.] Q. Mr. President, a recent Gallup poll indicated that 69 percent of the voters now approve of your acts—[*laughter*]——

THE PRESIDENT. Let the man ask his question.

Q. ——and in view of your distrust of public opinion polls, would you care to comment?

THE PRESIDENT. I have no more confidence in polls than I had before the election. I never did have—I never did have any confidence in polls, and I haven't got any confidence in them now. I make my decision on whether it's right or wrong from my point of view, after I have all the information and all the facts I can get to go on. Polls have no effect on me whatever.

Q. Mr. President, do you think that 69 percent is an underestimate?

THE PRESIDENT. I can't answer the question because I don't agree with polls under any circumstances.

[8.] Q. Mr. President, do you have any comment on those reports out of London on the sale of 150 American B–29's to the British?

THE PRESIDENT. The only time I heard about it was the rumor that was going around here. I never heard of it. I never heard of it.

[9.] Q. Mr. President, there are still reports that the President of the Philippines may come here. A couple of weeks ago you didn't know about it. Has anything happened since then?

THE PRESIDENT. No.

[10.] Q. Mr. President, the United States Steel Corporation this week issued a dollar extra dividend, besides the regular quarterly dividend and three-to-one proposed stock split on the basis of 1948 earnings. Have you any comment whether that will affect your attitude toward excess profits?

THE PRESIDENT. My only comment would be on the price of steel, which I have always

thought was too high.

[11.] Q. Mr. President, can you tell us the status of your labor legislation proposal?

THE PRESIDENT. I have had some conferences with the chairmen of the two labor committees, and that situation is progressing. And I am sure that the labor committees will promptly proceed with the labor legislation.

Q. We understood that there was some draft that was about to go up?

THE PRESIDENT. We are cooperating with the committees, as we always do.

[12.] Q. Mr. President, has the—is the message in preparation now on the social security—health insurance——

THE PRESIDENT. We are not working on it, at the present time, but we are going to work on it some time soon.

Q. The intention, sir, is to have that all in one bundle?

THE PRESIDENT. I can't answer that right now. We are considering the situation. When the thing is ready, I will furnish you with it.

[13.] Q. Mr. President, what is your opinion of the drop in the wholesale food index?

THE PRESIDENT. I am not ready to comment on that.

Q. Generally, all along the line, in the past couple of weeks, there have been indications of a decrease in the inflationary——

THE PRESIDENT. The Economic Advisers are getting up a report on that situation now, and when I have heard from them, then I will be able to comment. I want all the facts before I comment.

[14.] Q. Mr. President, have you got any comment on the charge that you didn't speak to a couple of Governors in the parade last week?

THE PRESIDENT. The only comment I can make on that is that they passed through the receiving line and were very cordially received. That's the best comment I can make.

[15.] Q. Mr. President, it was announced in London, officially I think, that this Government is going to recognize the Government of Transjordan. Is there anything you could say on that?

THE PRESIDENT. No comment.

Q. It hasn't been announced here?

THE PRESIDENT. No comment.

[16.] Q. Mr. President, do you know what you are going to do with Mon Wallgren,[3] what sort of job he might take?

THE PRESIDENT. Yes, I know what I am going to do with him. I will let you know at the proper time.

Q. This isn't the proper time?

THE PRESIDENT. No—[*laughter*]—it isn't the proper time.

Q. Will the proper time be soon, Mr. President?

THE PRESIDENT. Well, I will let you know whenever I am ready. I always do. You are never kept in the dark on things of that sort.

Reporter: Thank you, Mr. President.

NOTE: President Truman's one hundred and sixty-sixth news conference was held in his office at the White House at 10:32 a.m. on Thursday, January 27, 1949.

[3] Mon C. Wallgren served as United States Senator from the State of Washington from November 1940 to January 1945, and as Governor from January 1945 to January 1949. He was defeated for reelection as Governor in November 1948.

23 White House Statement Announcing Recognition of the Government of Transjordan. *January* 31, 1949

FOR SOME TIME informal and friendly relations have existed between the United States Government and the Government of the Kingdom of Transjordan. Consistently with its feeling of friendship for Transjordan, the United States Government has supported that country for membership in the United Nations. Today the United States Government has extended *de jure* recognition to the Government of Transjordan.

24 White House Statement Announcing Recognition of the Government of Israel. *January* 31, 1949

ON October 24, 1948, the President stated that when a permanent government was elected in Israel, it would promptly be given *de jure* recognition. Elections for such a government were held on January 25th. The votes have now been counted, and this Government has been officially informed of the results. The United States Government is therefore pleased to extend *de jure* recognition to the Government of Israel as of this date.

25 Remarks to the National Planning Association. *February* 1, 1949

I KNOW I have missed an excellent dinner by being late, but I had to have dinner at least one night this week with the "boss" at home, in the Blair House.

I remember about 6 years ago, I was present at a meeting of this organization, when you were discussing postwar plans. That was in 1943. You were worried about what was going to happen to the country after hostilities ceased. You were wondering how many people were going to be out of work, and you were wondering how many businesses were going to go to the wall because they didn't have any Government contracts.

And it turned out that most of those worries were not necessary. We had to find that out by experience.

I have been interested in planning all my life. I said all my life—ever since I was old enough to understand what the word meant. You know, we plan our day's work. We plan the houses in which we are going to live—if we can afford to build one, and we can't these days. And then we plan our public buildings and our private buildings. We plan cities now—and towns.

But, when we talk about planning the things we want to do economically, we are charged with being Communists and fellow travelers.

I think that the difficulty is that, instead of the word "planning," the people who find fault with us when we talk about planning for economic purposes are thinking about controlled economy, not planned economy.

The distinction is different, if you analyze it closely.

And I think that we have started out on a program of trying to plan our economic future so we won't have the difficulties that we have had after other situations, such as we have been through in the last 10 years.

We have an Economic Council now, and we have a legislative committee in the Congress, known as the Economic Committee. And those people are trying to analyze the situations with which we are faced, to see if we can meet those situations before they cause us difficulties.

You remember after the Jackson administration, from 1828 to 8 years later, they had a tremendous panic in the administration of Martin Van Buren, who followed Jackson. And after the War Between the States, 1873 came along; and then in 1893—for no good reason at all that anybody could ever understand—we had another one. Then in 1907 we had a bankers' panic, which was one of the funniest ones we ever had in the history of the country; and at that time I was working in a bank out in Kansas City. And they had the most difficult time in 1907 that I ever heard of. And nobody understood the cause—the why or wherefore of it.

And then after World War I, in 1921, we had a very difficult situation. I was in that one, too. That was when the businessman got into politics—ran on a platform in my county, a busted merchant against a very able and distinguished banker—and the busted merchant won the election. Then in 1929, and 1930, 1931 and 1932, you all remember the situation with which we were faced at that time.

And some of the people in Government and in business decided that maybe we might be able to head off a situation of that sort, after this terrible war which we have just been through. And we have been endeavoring to the best of our ability to stave off the situation with which we were faced in 1921, and in 1931. And to some extent I think we are succeeding.

And I am of the opinion that this organization can make a very great contribution to the efforts which are being put forth by the economic advisers to the President and by the Economic Committee of the Congress of the United States, and probably meet the situations before they really develop into disaster for the economy of this great Nation.

It is absolutely essential that the economic structure of the United States of America remain absolutely sound and prosperous, for the simple reason that we are in a different position now than we have ever been in our history. Due to events, over most of which we had not much control, we have become the symbol of what governments should stand for—the welfare of the people. We have become actually the international leaders in the welfare of the world as a whole.

I tried to set that out as clearly as I could in the Inaugural Address, as to what our responsibilities are under the United Nations setup, and in order to meet those responsibilities, we must ourselves be in a position to meet them; and in order to be in a position to meet them, we must be economically sound.

I think that the Employment Act, under which these measures have been taken and are being taken, is one of the most forward-looking pieces of legislation that we have had in the history of this great Nation of ours. And I think that before any disaster with which we may be faced comes about, we will be in a position to meet it.

We have some of the ablest economists, and some of the ablest and most practical men working on this situation. We are now

faced with some governmental planning, on which former President of the United States Mr. Hoover has been working with great effort, and who I am sure is coming forward with a great program for the economic operation of the Government of the United States.

I am sure that when that program is presented to the Congress, we will have all sorts of cries and wails from people who are anxious to have certain special pets of their own left in the same position in which they are now. I have already had a stack of mail that high [*indicating*] about this bureau and that bureau, this organization and that organization which ought not to be disturbed. And I imagine that unless the people are fully informed as to what the efforts are we ought to put forth for that sort of planning, we will have the usual result of nothing accomplished.

I have sent a great many reorganization plans to the Congress of the United States, while I had the power to do that, and I think only one of them was approved. The others were all disapproved, because some pet organization had a lot of ability to put out propaganda to prevent the reorganization of the Government on an economic basis.

Now, this organization can be of great assistance in getting an efficient setup for the Government. There are an immense number of boards and bureaus that have the authority to report to the President of the United States. If I spent my time talking to every one of those organizations, I wouldn't do anything else but talk to them, and probably not get much more done than is done without talking to them.

You know, they talk about the powers of the President of the United States. You know what those powers are, principally? Trying to get people to do what they ought to do without being asked to do it. The President spends most of his time kissing people first on one cheek and then on the other in order to get them to do what they ought to do without getting kissed.

And if we can get into operation this efficient organization with which Mr. Hoover has been working, then maybe we can get it to operate without any persuasion on the part of the President, and he can do the job that he is employed to do. He has had a raise in salary and ought to work a little harder. I work only 18 hours a day now; maybe I can put in 20 now.

I can't tell you how very much I appreciate the privilege of coming over here. I am very much interested in this organization, and what you are trying to accomplish. I have been interested in county and city planning, and now I am interested in world planning—for the welfare of the whole world.

And that is the job that is ahead of the United States of America, to meet the responsibilities which God gave us in 1918, and which we did not assume. We have it now again given to us. We must assume it. We must carry it out.

And we are going to do just that, I am sure, because it is necessary that we do it or else go back to the ninth century. And we can't afford to do that. I don't want to see that happen.

I want to thank you very much for asking me to come over here. I wish I could have been with you for the dinner, and I wish I could stay longer, but I have got to go back and put in 4 more hours to make up my 18 hours.

NOTE: The President spoke at 8:15 p.m. at the annual dinner meeting of the National Planning Association in the Statler Hotel in Washington.

During his remarks he referred to former President Herbert Hoover, chairman of the Commission on Organization of the Executive Branch of the Government.

The Association, an independent, nonpolitical, nonprofit organization, was established in 1934 to bring together leaders from agriculture, business, labor, and the professions to develop plans for dealing with national problems. The Association held its annual joint meeting in Washington from January 30 through February 1.

26 Letter to the Governors Convening the Highway Safety Conference. *February* 2, 1949

[Released February 2, 1949. Dated January 29, 1949]

Dear ————:

I am calling a national meeting of the Highway Safety Conference, the first full-scale session since 1946, to stimulate application of the Action Program in the States, particularly through the adaptation of the Program to the needs of communities and rural areas. The meeting will convene in Washington June 1 to 3.

In my message to the Governors in March 1946 I referred to the "alarming increase in traffic accidents." Now we can point with pride to the gratifying reduction in the traffic fatality rate since our first Conference. The rate of approximately 12 deaths per hundred-million vehicle-miles in the months immediately preceding the 1946 Conference, dropped to 7.7 in 1948. This is the lowest rate in the history of the motor vehicle.

Yet we all know that as a result of the mounting travel on our roads and streets, the traffic death toll still exceeds 30,000 human lives a year. Travel increased 37 per cent from 1945 to 1946 and another 24 per cent to 1948, or a total of 61 per cent in three years.

The problem is still of such magnitude, therefore, that I deem it worthy of our efforts to stimulate public interest and support for the State, county, and municipal officials who have legal responsibility for traffic safety. I urge you as the Chief Executive of ——— to attend the Conference as head of your ——— delegation and to lend it your personal leadership.

Very sincerely yours,

HARRY S. TRUMAN

NOTE: This is the text of identical letters addressed to the Governors of the States, the Territorial Governors, and the President of the Board of Commissioners of the District of Columbia, inviting their participation in the Highway Safety Conference, to be held in Washington June 1–3, 1949. The President also sent letters to Governor William Preston Lane, Jr., of Maryland, and Mayor George W. Welsh of Grand Rapids, Mich., requesting them to serve as vice chairmen of the Conference.

27 Remarks to Young Representatives From Marshall Plan Countries. *February* 3, 1949

YOU ARE a fine-looking group, and we are glad to have you in this country—glad to have you take a look at it. I think you have been spending too much time in New York. New York is just the door of the United States. It is both the entry and the exit. You will find that that part of the country west of the Appalachian Mountains is most

interesting, and I hope you had the chance to get to see the Grand Coulee Dam, and the electrical installations in the Tennessee Valley. I also hope that you had the opportunity to see something of the valleys of the Mississippi River.

I am glad you are now in the Capital. I hope you will spend some time here, and get a chance to interview our governmental workers and to see how the Government of the United States operates. It is not posed as the most efficient government in the world, but it is posed as one that is most just to the people of the United States.

We have a government, as you know, that is divided into three sections. We have a legislative branch, which makes the laws. And we have an executive branch, of which the President is head, and he executes the laws. And then we have a judicial section of the government which interprets those laws. And in that way we have what we call a check and balance government, so that no one has too much power.

The power is in the people themselves. They demonstrated that completely in November.

I hope to see the time come when every section of the world will have a government that is a government of and by and for the people, as Mr. Lincoln said along in the 1860's.

I hope you have enjoyed your visit here. I sincerely hope that you will continue your studies of the peoples of the world, and that eventually when you get to be as old as I am, that the United Nations will be functioning fully and completely, in keeping the peace of the world—which we all want.

Thank you very much.

[At this point Anthony Demetriades, the spokesman for the group, told the President that they had been in the United States for 5 weeks. "We have had the most wonderful time of our lives here," he added, "and we only wish that American students could come over to our countries and see our needs and our way of living there." The President then resumed speaking.]

I appreciate that very much, and I sincerely hope that some of our people will pay a visit to your countries and become as well acquainted with them and their peoples as you have tried to become acquainted with us.

Thank you again, very much.

NOTE: The President spoke at 12:15 p.m. in his office at the White House to a group of young people representing 17 of the nations participating in the Marshall plan. The young people were in the United States as a result of having won in an essay contest sponsored by the New York Herald Tribune. The title of the essay was "The Kind of World I Would Like to Live In."

28 The President's News Conference of *February* 3, 1949

THE PRESIDENT. I have one announcement—a couple of announcements to make for you.

[1.] I am going to appoint Governor M. C. Wallgren to be Chairman of the National Security Resources Board, succeeding John R. Steelman, who has been acting—to succeed Mr. Arthur Hill who resigned. Mr. Wallgren is particularly fitted for this job because he had a great deal of experience in that line on a certain Senate committee on which he served, of which I was the chairman.[1] I have had him under consideration for this job for quite some time, ever since Mr. Hill resigned.

Q. Mr. President, how much does that——

[1] Special Senate Committee to Investigate Contracts under the National Defense Program.

34-483—64——11

THE PRESIDENT. Wait a minute—I have got another announcement to make—then you can ask your question.

[2.] The situation in the West with regard to this storm program, I am informed by General Fleming, is well in hand. Every part of the Government that had any help to offer has been at work on the situation, and General Fleming says it is well on the road to being solved, if we don't get any more storms in the immediate future.

Now, what is your question back there?

[3.] Q. Sir, how much does this job pay?

THE PRESIDENT. I don't know—I think it's $10,000 a year?

Dr. Steelman: $14,000.

THE PRESIDENT. $14,000 a year. I didn't know what the salary was. Mr. Steelman says it's 14,000 a year.

[4.] Q. Mr. President, may I ask a question about the West? Do you know whether that storm and the consequent loss of life in cattle will have any appreciable or immediate or any effect on the economy—on the market—on beef—and so forth and so on?

THE PRESIDENT. I can't answer that question intelligently until I know what the losses add up to, and we can't tell exactly what the losses are until the snow goes away, and I don't know what effect it will have on the market. It will depend on just how bad the grass-fed cattle are injured—and sheep, too.

[5.] Q. Mr. President, there apparently is some confusion as to whether, in the new labor bill, the administration intended to reserve for itself the right of injunction in national emergency strikes, either in the bill itself or through statutory report to the President?

THE PRESIDENT. I don't understand the question. Will you repeat it?

Q. The question is whether you intend to reserve for the administration the right of injunction in national emergency strikes?

THE PRESIDENT. The powers of the President, so I am informed, are sufficient to meet emergencies of that sort, and that is the basis on which we are working.

Q. Mr. President, what would be the objection to spelling out those powers in that law?

THE PRESIDENT. There isn't any that I know of, but we didn't do it because we didn't think it was necessary.

Q. Do you think that you don't have to spell out——

THE PRESIDENT. That is my opinion.

Q. Taft hasn't this idea——

THE PRESIDENT. I never have been in agreement with Taft on labor.

Q. The powers of the President that you speak of are the constitutional powers, is that what you mean?

THE PRESIDENT. Yes, the Constitution and the implied powers of the President, so I am informed by the Attorney General, and I think he ought to know.

Q. Could you tell us where we could find them elsewhere than the Constitution?

THE PRESIDENT. No, I can't. If you closely read the history of the country, you will find that Washington used them, and Jackson used them. They have been used by several Presidents. Lincoln used them all the time while he was President. Whenever there is an emergency, the President has immense powers to do what is right for the country.

Q. Does it require injunctive process?

THE PRESIDENT. I will answer that question if we ever have to cross that bridge.

Q. Mr. President, on that point, is that as President or as Commander in Chief—dual office?

THE PRESIDENT. A combination of both.

[6.] Q. Mr. President, do you plan to reappoint Mr. Garland Ferguson to the Federal Trade Commission?

THE PRESIDENT. I have the matter under consideration. I will let you know about it when I get ready to act on it.

[7.] Q. Mr. President, may I make a comment on a report from Manila with regard to the appointment or resignation of Ambassador Cowen to succeed O'Neal?

THE PRESIDENT. I have no comment to make on that, and when I am ready to appoint an Ambassador to the Philippines, you will know about it—I will let you know about it.[2]

[8.] Q. Mr. President, is Mr. Bruce resigning as Ambassador to Argentina?

THE PRESIDENT. Nearly every Ambassador in the employ of the United States has resigned. I have got a book full of them. I can't form any decision because there are so many of them.

Q. Are you going to persuade him to return, or persuade him to stay?

THE PRESIDENT. When I take any action again, I will let you know about it. I don't know what is going to be done.

[9.] Q. Mr. President, do you contemplate transferring the military government in Germany to the State Department?

THE PRESIDENT. I do not.

Q. And General Clay, will he continue——

THE PRESIDENT. General Clay will continue in control of the military government in Germany.

[10.] Q. Mr. President, does this Government intend to take any special cognizance of the Stalin overtures?

THE PRESIDENT. That was completely and fairly answered by the Secretary of State yesterday, after consultation with me.[3]

[11.] Q. Mr. President, the President of Chile yesterday announced that his government accepted your point 4 in your inaugural speech, about the development of undeveloped countries and areas.

THE PRESIDENT. I am glad he did. That pleases me immensely.

[12.] Q. Mr. President, in connection with the Hoover reorganization report, there is a report up on the Hill this week that you have agreed to exempt the ICC, the FDC, the SEC, and the Federal Reserve Board from reorganization?

THE PRESIDENT. Don't you think you had better wait until that bill [4] comes up here for me to sign and see what's in it? I don't think you know what's going in it, and neither do I.

Q. I don't.

THE PRESIDENT. It has to go through two committees before we can tell what's in the bill. I hope there will be no exemptions.

[13.] Q. Mr. President, yesterday the Secretary of State told us that this Government would not enter into any bilateral talks on the broad world situation with Russia. There is still another question that I would

[2] Emmet O'Neal served as U.S. Ambassador to the Philippines from June 10, 1947, through January 20, 1949. On March 1, 1949, the Senate confirmed the appointment of Myron Cowen as U.S. Ambassador to the Philippines.

[3] The "Stalin overtures" consisted of replies to four questions submitted to Premier Stalin on January 27, 1949, by Kingsbury Smith, European General Manager of the International News Service. Premier Stalin's replies, together with extended comments by Secretary Acheson at his press conference of February 2, are published in the Department of State Bulletin (vol. 20, p. 192).

Secretary Acheson concluded his remarks on the so-called Stalin overtures with the following words: "As I say, all of the normal channels are open. I hope you will not take it amiss if I point out that if I on my part were seeking to give assurance of seriousness of purpose I would choose some other channel than the channel of a press interview."

[4] The proposed Reorganization Act of 1949 which the President signed on June 20, 1949 (see Item 127).

like to ask. Would this Government with other powers, not just a single power but other powers concerned, would it outside of the United Nations enter into any such talks?

THE PRESIDENT. It would not. I think Dean Acheson made that perfectly clear.[5]

[14.] Q. Mr. President, do you have any comment on Norway's reply to Russia, that she definitely intends to look into the North Atlantic——

THE PRESIDENT. I have no comment to make on it.[6]

[15.] Q. I would like just to say a word of greeting from the National Committee for Christian Leadership—[*inaudible*]—Abraham Vereide—if I may, sir. Would you think the setting aside of a day as a day of prayer—I mean a national day of prayer like we did during the last days of the war, to pray especially for the world's dilemma and the situation in China, would be advisable?

THE PRESIDENT. I think that that should be done every day, not necessarily on any special day.

[16.] Q. Mr. President, Woodrow Wilson died 25 years ago. Does the occasion suggest any comment from you?

THE PRESIDENT. Yes. I was a very great admirer of Woodrow Wilson. I think he will go down in history as one of the great Presidents of the United States. He was the father of the League of Nations, and of course that resulted finally in the United Nations. I am sending the military aide out there because today is the anniversary of his death, with a wreath to be placed on his tomb.

[17.] Q. Mr. President, the tone of what you have said, and what Mr. Acheson has said regarding these Stalin interchanges—whatever you might call them—has been that if Russia—as I understood the exchange—if Russia wanted to show its good will it could do so by specific actions inside the United Nations.

THE PRESIDENT. I think it was fully covered in Acheson's statement.

Q. I was wondering whether you would—you might mention one or two ways——

THE PRESIDENT. I have no further comment to make on it.

[18.] Q. Mr. President, from the words you used and the tone of your voice on that reorganization answer, I take it that you are in favor of a good, strict hundred percent reorganization?

THE PRESIDENT. I hope that will be the case, because if the President's hands are tied, from experience I know that there will be no reorganization. I am hoping that this time we will get something constructive and effective, so we can make things more efficiently—work more efficiently in the executive branch of the Government. I think everybody's interested in that.

I have said once before here at a press conference that everybody has their pet that I am afraid is going to get to work around it somewhere. I hope that won't interfere with what Congress is going to do, and I don't think it will.

[19.] Q. Mr. President, on this pur-

[5] See Department of State Bulletin (vol. 20, p. 192).

[6] According to newspaper reports the Norwegian Government informed the Soviet Union on February 1 that, while it would investigate the conditions under which Norway could participate in a North Atlantic defense alliance, it would never grant bases for foreign powers unless attacked or subjected to threats of attack.

The information was contained in a note delivered by Foreign Minister Halvard Lange to the Soviet Ambassador at the Foreign Office. The note was a reply to the Kremlin's request that Norway clarify her attitude toward the proposed North Atlantic pact.

The note informed the Soviet Union that Norway's desire to seek "increased security" had prompted her to consider joining a North Atlantic defense grouping.

ported conviction of Cardinal Mindszenty, are you convinced that that conviction was obtained without duress?

THE PRESIDENT. I can make no comment on it, because I know nothing about it, only what I have seen in the papers.

[20.] Q. Mr. President, you are on record as saying you will meet Stalin here in Washington?

THE PRESIDENT. I invited Mr. Stalin here to Washington, in Potsdam when I was there, and I have restated that I will be glad to see him here any time he wants to come.

I think if you will look around into it, you will find that is as far as it is necessary for me to go.

Q. Yes, sir. May I just put one further question? If Stalin, for example, were to be willing to come to, say Alaska, would you be——[*Laughter*]

THE PRESIDENT. I answered your question.

[21.] Q. Mr. President, did your—did your daughter ask your advice on her career before she went up to New York?

THE PRESIDENT. Of course she did.

Q. Did you give it?

THE PRESIDENT. Certainly. What father wouldn't advise his daughter on what is best for her career?

Q. We didn't hear the question, Mr. President?

THE PRESIDENT. The question was whether my daughter had consulted with me as to her career before she went to New York, and of course she did.

Q. Are you going to tell Frank [7] what advice you gave her?

THE PRESIDENT. What? That's none of his business. [*Laughter*]

Q. No, no—I didn't ask that.

THE PRESIDENT. That was a perfectly good question of yours—don't worry about it. [*Laughter*]

[22.] Q. When you were asked that question about Alaska, did I understand you to say Nome? [*Laughter*]

THE PRESIDENT. I didn't answer.

[23.] Q. Mr. President, have you asked Mrs. Truman to get the guest room ready at the Blair House for Mr. Stalin?

THE PRESIDENT. I haven't any notification that he is coming. If I get that notification, of course the guest room will be gotten ready.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's one hundred and sixty-seventh news conference was held in his office at the White House at 4:02 p.m. on Thursday, February 3, 1949.

[7] Frank Bourgholtzer of the National Broadcasting Company.

29 Statement by the President on the Toll Taken by Heart Diseases. *February 7, 1949*

THE TREMENDOUS toll of the heart diseases must be of deep concern to all our citizens. Combatting the Nation's leading cause of death has become our most serious national health problem.

Most recent figures compiled by our National Office of Vital Statistics show that more than 625,000 Americans die annually of diseases of the heart and blood vessels. This total grows each year. Included among the victims are the young and the old, children of school age, and thousands of men and women in the prime of life. The heart diseases, I am informed, now account

for one out of every two deaths after the age of forty. Incredible as it may seem, according to vital statistics, deaths from cardiovascular disease are greater than the combined toll of the next five leading causes—cancer, accidents, nephritis, pneumonia, and tuberculosis.

I feel that it is the obligation of our citizens to give the utmost support to the governmental and voluntary programs established to fight heart disease. It is essential that we join with the medical profession in this public health crusade.

I, therefore, call upon every American to inform himself about the heart diseases and the programs being undertaken to combat them in the Nation and in his community.

The hope for progress lies in the simple determination of each one of us to cooperate with our physicians in safeguarding individual health and the health of the family and to work with our neighbors in supporting community efforts in the war against heart disease.

30 The President's News Conference of *February* 10, 1949

THE PRESIDENT. I have no special announcements to make this morning, but I will try to answer questions, if I can.

[1.] Q. Mr. President, have you decided to appoint Dr. Philip Jessup as roving negotiator for international conferences?

THE PRESIDENT. Dr. Jessup has been made Special Ambassador, in view of the work that he has been doing for the United Nations, and to give him a better place in negotiating in that organization.

[2.] Q. Mr. President, in view of the recent downward trend in prices, do you still feel that you need the standby inflation controls?

THE PRESIDENT. I certainly do.

Q. When would you expect a bill to go up to the Hill on that subject, sir?

THE PRESIDENT. It will be—I think it's already up there, isn't it?

Dr. Steelman: It isn't ready yet.

THE PRESIDENT. It isn't ready. It will go up right away. My position is just the same as it was when I read the message to the Congress. I think it's just as necessary as it was then.

[3.] Q. Mr. President, do you have any comment on yesterday's criticism by the CIO that your administration has bungled repeal of the Taft-Hartley Act?

THE PRESIDENT. I have no comment. I didn't see the criticism. I have not been officially notified of it except from your question just now.

[4.] Q. Mr. President, have you any comment on the downward trend in commodity prices?

THE PRESIDENT. I have no comment.

[5.] Q. Mr. President, when will you announce your policy on farm support prices?

THE PRESIDENT. The Secretary of Agriculture will appear before the proper committee and make that perfectly clear when he goes over there.

Q. Soon?

THE PRESIDENT. Just as soon as the committee is ready to hear him.

[6.] Q. Mr. President, Governor Dewey is in town this week and the Governor wants to know why the Federal Government is insisting on spending around $450 million in

public tax money developing the power of the St. Lawrence, when New York State would develop it by a private bond issue?

THE PRESIDENT. That question has been answered time and again in the Congress. I would advise you to read the record. It hasn't changed any.

[7.] Q. Mr. President, Mr. Dewey was lamenting the fact that the Republican Party is split wide open. Do you have any advice for him that would——

THE PRESIDENT. I gave him all the advice I possibly could during the campaign. [*Laughter*]

[8.] Q. Well, Mr. President, how are we going to get into the Dewey dinner? The new Senator, Margaret Smith of Maine, said that the administration is a government by pressure groups. Do you think so?

THE PRESIDENT. No, I don't think so. I think—I think the good lady was mistaken.

[9.] Q. Mr. President, I suppose you are familiar with what the Secretary of State said yesterday in the statement concerning the Hungarian Mindszenty matter?

THE PRESIDENT. That statement had my entire approval.[1]

Q. I supposed it had. I was going to ask you if anybody suggested that their attitude is in violation of certain treaties that might cause you to want to cut off relations?

THE PRESIDENT. It has been stated that their action is in violation of certain treaties. It hasn't been carried out to the logical conclusion. I think the treatment of the Cardinal is infamous, and it will go down in history as one of the black spots on Hungary's historical career.

Q. May I ask you—did I understand you to say that their action is in violation of treaties, or had been suggested?

THE PRESIDENT. It has been suggested that it is in violation of treaties. I don't know whether it is or not.

Q. Mr. President, you said, I think, that the treatment of the Cardinal is infamous, and then you went on to say you think it will go down in history as a blot on the nation which——

THE PRESIDENT. Which carried on a kangaroo court like that.

Q. Mr. President, you mean nation or government?

THE PRESIDENT. The nation. The nation is responsible for its government.

Q. Mr. President, in Earl Godwin's question, there was a reference to not only a violation of treaties but the suggestion of possibly breaking off relations.

THE PRESIDENT. I said that that matter is being investigated. I have no more com-

[1] Secretary Acheson's statement of February 9 is published in the Department of State Bulletin (vol. 20, p. 230). The statement referred to the trial of Jozsef Cardinal Mindszenty as a "conscienceless attack upon religious and personal freedom." The statement continued as follows:

"In their conduct of the case of Cardinal Mindszenty, the Hungarian authorities do not appear to have omitted any of the usual methods practiced by a police state. Such proceedings constitute not the administration of justice but wanton persecution. They have evoked universal condemnation, and the Hungarian Government must bear full responsibility for its action.

"The cases of Cardinal Mindszenty and other Hungarian Church leaders are not isolated developments. During the past 2 years, with governmental power entirely in the hands of the minority Communist party, the people of Hungary have been increasingly denied the exercise of fundamental human rights and freedoms. Parliamentary opposition, an element indispensable to the democratic process, has been ruthlessly eliminated, the totalitarian controls of state and party have been laid like a deadening hand upon every phase of daily personal existence, and the Hungarian people have been divested of any real independence.

"The people of the United States, and, without question, peoples of other freedom-loving nations, are sickened and horrified by these developments and fully comprehend the threat they constitute to free institutions everywhere."

ment to make on it, because I don't know. The experts haven't reported to me yet.

Q. Mr. President, may we quote the word "infamous"?

THE PRESIDENT. Yes.

Q. Also "black spot"?

Q. Mr. President, when you said a nation is responsible for its government, do you think that is always true in a Communist movement today?

THE PRESIDENT. I can't answer that intelligently, but in a police state the people are never really responsible for their government, and Hungary certainly is a police state.

Q. That's right.

Q. Mr. President, just to avoid any misunderstanding——

THE PRESIDENT. In most any police state, the people are never responsible.

Q. ——just before we go on, did I understand you to say that the matter of possibly breaking off relations with Hungary is under study?

THE PRESIDENT. No, you did not.

Q. I thought that was what the question was?

THE PRESIDENT. No, no. I did not say that. Mr.—[*pause*]—Godwin—[*laughter*]——

Mr. Godwin: Godwin.

THE PRESIDENT. ——asked me the question if the action of the—in the trial of the Cardinal did interfere with treaties which various nations had with Hungary. I said that had been suggested but an investigation is being made; but I can't answer that question now.

Q. That was the question I thought implied that.

THE PRESIDENT. Well, he said would that go so far as to involve breaking off relations. That has not been under consideration.

Q. Thank you for verifying it.

Q. It has gotten a little mixed up here. You said that a nation is responsible for its government——

THE PRESIDENT. Well, when you speak of a nation you speak of its government always.

Q. Yes sir. Then——

THE PRESIDENT. What else—what other way can you adopt to make a nation except——

Q. I am not arguing with you, sir, I am just trying to get the record——

THE PRESIDENT. That's what I mean—I am speaking of the government of the country of Hungary. It is a national government, undoubtedly, even if it is a police state.

Q. You make a distinction then between the people, and the nation and the government?

THE PRESIDENT. That's right.

Q. The nation and the government are one?

THE PRESIDENT. That's right, that's the way I look at it. The people are entirely distinct from that. I think if the people had their say, they wouldn't have that kind of government.

[10.] Q. Mr. President, a suggestion has been made by the Chairman of the Atomic Energy Committee, I believe that is his position, that this country tell the world how many atomic bombs it now has. Would you state your position on that?

THE PRESIDENT. The Chairman of the Atomic Energy Committee made no such statement. Categorically he told me yesterday that he made no such statement. And of course I am not in favor of disclosing that. It is not a matter for public discussion.

Q. Did he tell you what he said, Mr. President? That was the impression gotten abroad that that was it?

THE PRESIDENT. He said he had made no such statement as that, that he did not believe that way at all, and that that is a matter that

is not for public discussion now. I don't want to comment on it at all.

Q. I thought it was Senator McMahon that had made that statement?

THE PRESIDENT. I don't know about that. I hadn't discussed it with him.

Q. Chairman Lilienthal, isn't that right?

THE PRESIDENT. That's correct.

Q. You are referring to Lilienthal?

THE PRESIDENT. To Lilienthal. I was referring to the Chairman of the Atomic Energy Commission.

[11.] Q. Mr. President, are you still hopeful of a $4 billion tax raise, in view of some of the developments on the Hill?

THE PRESIDENT. Yes, I am. I am just as strong for it now as I was when I asked for it in the message.

Q. Mr. President, if we should be heading into a recession of some kind, would you feel that that 4 billion tax increase would—as advised under those circumstances—be apt to be inflationary?

THE PRESIDENT. Just as advisable then as now, for the simple reason that it doesn't affect the expenses of the Government, and we are trying to avoid a deficit.

[12.] Q. Mr. President, are you going to speak at Trinity College in——

THE PRESIDENT. I have been invited, but I made no appointment.

[13.] Q. Mr. President, would you like to see Norway and Denmark and other countries in the North Atlantic Pact?

THE PRESIDENT. I have no comment to make on that.

Q. Mr. President, are you going to see the Norwegian Foreign Minister?

THE PRESIDENT. He hasn't asked for an interview.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's one hundred and sixty-eighth news conference was held in his office at the White House at 10:35 a.m. on Thursday, February 10, 1949.

31 Letter to the President of the Senate Transmitting Appropriation Estimate for White House Repairs. *February* 17, 1949

[Released February 17, 1949. Dated February 16, 1949]

Sir:

I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the fiscal year 1949 in the amount of $5,400,000, for the Federal Works Agency.

Within the last year I became gravely concerned with what appeared to be unsafe conditions in the Executive Mansion. Limited inspections were made by engineers of the Federal Works Agency and by a committee composed of outstanding private engineers. The reports of these inspections indicated a particularly hazardous condition of the second floor.

This led me to recommend to the Congress an appropriation of $50,000 to permit a thorough-going survey of the building, and the preparation of plans and estimates of costs for overcoming the unsatisfactory conditions. An appropriation was promptly made and the engineering investigations were begun almost immediately.

The seriousness of structural weaknesses discovered in the Executive Mansion raised grave question concerning the safety of the

34-483—64——12

members of the presidential household and of the thousands of persons visiting the Mansion as sightseers, or as members of groups attending business or social functions. Upon the recommendation of the Federal Works Administrator on November 8, 1948, the presidential household was transferred to the Blair and Blair-Lee Houses, owned by the Government, and the Mansion was closed to visitors. The Mansion has since been subjected to a thorough study, the results of which are incorporated in the accompanying report of the Federal Works Agency, which is transmitted pursuant to the legislation appropriating funds for the investigation.

It will be noted from the report that structural conditions in the Executive Mansion are more critical than was anticipated, and that it cannot be used for residence or other purposes without the completion of major repairs.

It will be no small task to renovate and modernize the structure. It perhaps would be more economical from a purely financial standpoint to raze the building and to rebuild completely. In so doing, however, there would be destroyed a building of tremendous historical significance in the growth of the Nation. I am in favor of preserving our outstanding historical structures. The scope of the work now proposed will not alter the architectural or cultural features of the Mansion. The historic and traditional symbolism of this national shrine will be preserved to the greatest degree consistent with the modern materials and equipment that necessarily must be incorporated in the project.

I anticipate that the amount requested will permit the completion of the work recommended in the engineering report. I am even hopeful that the cost will be somewhat less than now estimated. The cost is not the most important consideration in connection with this proposal. Safety, not only of the President and his family, but of the many persons visiting the Executive Mansion, is involved. In the removal of structural and fire hazards, it would seem appropriate to renovate and modernize the interior—something that has been delayed too long, but something that will not have to be done again for many years.

Officials of the Federal Works Agency are prepared to furnish such information as may be desired by the Congress in its consideration of this matter.

A minimum of fifteen to eighteen months will be required to complete the job. It is my hope, therefore, that early action will be taken on this recommendation.

Respectfully yours,

HARRY S. TRUMAN

NOTE: The Report to the President on the Structural Survey of the Second Floor of the White House, dated February 25, 1948, and the report of the Federal Works Agency, which is listed as the Report of the Commissioner of Public Buildings, dated February 8, 1948, are published in the appendix of the Report of the Commission on the Renovation of the Executive Mansion, pages 90–94. (Government Printing Office: 1952, 109 pp.).

32 The President's News Conference of *February* 17, 1949

THE PRESIDENT. [1.] I have no announcements to make, gentlemen, except that I want to clear up just one thing, and that is in regard to the procedure of the Ways and Means Committee.

There has been a lot of speculation on the

Ways and Means Committee—Ways and Means Committee and the President on procedure. The Ways and Means Committee have been proceeding exactly as I have requested them to proceed.

I asked them, in the first place, to consider social security ahead of taxes, and that is the reason they are doing it.

Q. Mr. President, Governor Dever was in here a couple of weeks ago and indicated that you favored a special inquiry by the Ways and Means Committee in the domestic watch situation. Is that a correct interpretation——

THE PRESIDENT. The matter was placed before me by the Waltham Watch Company and two or three other American watch companies. I made no comment on the situation, except to take the papers which they gave me and told them I would look into it.

[2.] Q. Mr. President, there is a report that the administration is going to propose home relief funds in the social security program. Anything to that?

THE PRESIDENT. No.

Q. What kind of funds, sir, did he ask?

THE PRESIDENT. Home relief funds. I don't know what that means, but go ahead and explain it to him, Tony.[1]

Q. People out of work, getting support from the local communities. Story out of New York, that's the reason.

THE PRESIDENT. Never heard of it.

[3.] Q. Mr. President, your military aide, Gen. Harry Vaughan, has been the recipient of a considerable amount of criticism in connection with the decoration offered to him by the Government of Argentina.[2] He has been singled out for criticism, although a medal—that medal and other medals under similar circumstances have been offered to other officials and other officers. Have you any comment on why he should be criticized? Any comment on that?

THE PRESIDENT. No reason in the world why he should be criticized. Stanley Woodward informed me the other day—just accidentally happened to inform me that he has more than a hundred—two or three—over there in his drawer that have been presented to nearly every—every general and admiral that we have got here in Washington, and more than twenty of these—this same medal that General Vaughan received, in that drawer, and various other generals and admirals in the service of the United States Government. There wasn't a thing in the world wrong with it. It was handled strictly according to law. And the only reason for the squawk is because General Vaughan happens to be my military aide.

Q. They are gunning for you over his shoulder?

THE PRESIDENT. That's it.

Q. You mean, Mr. President, these generals don't pick up these decorations after they receive them?

THE PRESIDENT. They do not. It's the specific—the law is specific on it, that those decorations are to be—not to be received individually until they receive permission from Congress to get them. That's the—in the criminal code—in the United States Code, not the criminal code—United States Code. During wartime it was allowed by the Congress by specific law that the military services could receive—and civilians, too—could receive decorations from our Allies or associated powers in the World War. That period expired on the 30th day of last June, and the civil code went into effect at that time.

[4.] Q. Mr. President, there is a good deal of discussion up on the Hill this week

[1] Anthony H. Leviero of the New York Times.

[2] Medal of the Order of San Martín.

about the North Atlantic Pact. I wonder if you will give us some of your ideas about it?

THE PRESIDENT. My ideas were very clearly and specifically expressed by the Secretary of State yesterday after an interview with me.[3] There isn't anything mysterious about it at all. Resolution 239 was passed by the Senate and unanimously passed by the House. And I announced clearly in my message on the—in the inaugural message, and in various messages on it previous to that, our stand in connection with the Atlantic Pact. There is no confusion about it at all.

Q. Mr. President, what you said in your message still stands?

THE PRESIDENT. Yes sir. Yes, it does.

[5.] Q. What is your reaction, Mr. President, to the story that Secretary Royall asked to have troops withdrawn from Japan——

THE PRESIDENT. If I remember correctly, Secretary Royall categorically denied the statement. There is no comment to make on it, under those circumstances.

[6.] Q. Mr. President, in his letter of February 14 to Secretary Krug, Mr. Pace said the Central Arizona project does not meet with your program. Is that still your position?

THE PRESIDENT. The Central Arizona project is under consideration by the Congress, and it hasn't been considered as—whether it's a part of the program or not. The water situation in Arizona and in California is in a serious situation. I myself have been making some personal investigations on the situation, with the idea to try to find more water for both of those States.

Q. Mr. President, a subsequent letter to—Mr. Pace sent to Senator O'Mahoney has been interpreted by Arizona as a reversal of your position. Is that correct?

THE PRESIDENT. My position has never been reversed. It has been the same all the time.

Q. There is still considerable confusion——

THE PRESIDENT. There isn't any confusion on the Hill about it. If you will question Senator Hayden and the Senators from California, you will find that there is no confusion, and never has been. Not in *my* mind.

[7.] Q. Mr. President, have you received a new report from your Economic Advisers?

THE PRESIDENT. I receive a regular monthly report.

Q. Can you give us your estimate on what the business outlook is today? There is considerable apprehension, you know, about falling prices and unemployment.

THE PRESIDENT. I think myself, personally, that the situation is nothing to be alarmed about. I think it's the leveling off that everybody has been wishing for. And I hope that is the case, and that we do not have another spiral in prices.

[8.] Q. Mr. President, do you think—are you in favor of modifying consumer credit controls, under Regulation W? [4]

THE PRESIDENT. No.

Q. You are not in favor of modifying——

THE PRESIDENT. I am not considering it at the present time. If it becomes apparent that it should be modified, why it will be modified.

[9.] Q. Mr. President, have you reached a decision on whether Dr. Bruce is going back to Argentina?

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[3] Secretary of State Acheson's statement is printed in the Department of State Bulletin (vol. 20, p. 263).

[4] Regulation W, for the control of consumer credit, was originally issued by the Board of Governors of the Federal Reserve System in 1941 (12 CFR Part 222). Under Public Law 905, 80th Congress, the regulation would become inoperative after June 30, 1949.

THE PRESIDENT. He has been trying to resign ever since he has been down there. I will tell you all about it later, after an interview with him.

[10.] Q. The McGraw-Hill Publishing Company sent out a lot of releases and stuff today, and one of them indicated that Ralph Bunche would be the next American Ambassador to Russia. Is that news to you?

THE PRESIDENT. Yes, that's news to me.

Q. Any comment on it?

THE PRESIDENT. That's news to me.

Q. Mr. President, while we are talking about Russia, have you made a decision yet about Bedell Smith?

THE PRESIDENT. That decision will have to be made by General Smith himself. He is under treatment now, on account of his health, and I haven't had a conference with him lately. That is up to General Smith.

Q. He is still at Walter Reed?

THE PRESIDENT. I think that is correct.

[11.] Q. Mr. President, would you care to say anything further on the subject of taxes?

THE PRESIDENT. There's nothing further, after that message.

Q. There is some speculation that since you have put social security ahead of taxes, taxes will have to be abandoned. Is that true?

THE PRESIDENT. No, that is not true. My position is exactly as it was. It hasn't changed a bit. It's a matter of procedure—doesn't make any difference.

Q. Mr. President, would you care to comment on why you asked them to follow that procedure, of social security first?

THE PRESIDENT. Because they are not—we were not ready on the tax proposition as yet. Just a matter of keeping the Ways and Means Committee busy. [*Laughter*]

Q. Mr. President, are you—would you be considering a compromise on taxes below $4 billion?

THE PRESIDENT. I made my statement to the Congress in my message. And it still stands.

[12.] Q. Mr. President, there is considerable discussion about the secrecy of the trials—military trials in Munich. Have you any ideas on the secrecy of those trials?

THE PRESIDENT. I don't know anything about it, Pete.[5] The Constitution should follow the flag wherever it goes, and trials should be conducted as we usually conduct them in this country. That is my theory, and I am trying to enforce it. I don't know anything about this one to which you refer.

[13.] Q. Mr. President, in the Senate today, Mr. Langer said that you have dropped all pretense of continuing bipartisan foreign policy.

THE PRESIDENT. That is not true. Not a word of truth in that.

[14.] Q. Mr. President, would you care to comment on the Loyalty Board's clearance of William Remington? [6]

THE PRESIDENT. I think the Loyalty Board undoubtedly heard all the evidence and made the proper decision. That's all the comment I will have. That's what I set them up for.

[15.] Q. Will you clear up the Constitu-

[5] Raymond P. Brandt of the St. Louis Post-Dispatch.

[6] On February 11 the Government's Loyalty Review Board rejected disloyalty charges brought against William Remington, Director of the Export Program Staff of the Department of Commerce, by Elizabeth Bentley. He was ordered to be reinstated, with backpay, in the Department of Commerce post from which he had been suspended since July 1948.

The testimony of Miss Bentley and Mr. Remington is recorded in "Export Policy and Loyalty Hearings Before the Investigations Subcommittee of the Committee on Expenditures in the Executive Departments," dated July–August 1948 (Government Printing Office, 2 vols., 402 pp.).

tion following the flag? Those spies were tried in this city, those Germans that landed on Long Island, under the greatest of secrecy. That was, I think——

THE PRESIDENT. That was during wartime.

Q. That was during wartime.

THE PRESIDENT. Wartime precaution.

Q. Yes, sir.

THE PRESIDENT. Merely a wartime precaution—had to be done that way.

[16.] Q. Mr. President, I have been asked to ask you if you are opposed to building this Glacier View Dam in the Glacier National Park, which has caused a controversy between the Park Service and the Army Engineers?

THE PRESIDENT. I can't remember enough about the case, Tony.[7] That's the first I had heard of that controversy. Is that on the—that Hungry Horse Dam?

Q. I think it's Flat Head Dam, or something.

THE PRESIDENT. Flat Head River. But I think that one is the Hungry Horse.

Q. First I heard about it was 10 minutes ago. [*Laughter*]

THE PRESIDENT. Then I happen to know a little bit more about it than you do, Tony. [*More laughter*]

[17.] Q. Mr. President, getting back to that other thing on the Constitution, is there not a comparable situation in Europe, where you have an occupied area—where you have saboteurs landing in Long Island in wartime?

THE PRESIDENT. Yes, that is comparable. It is comparable to that, but I am very anxious that American citizens—I don't want to treat—I am very anxious that American citizens——

Q. No American citizens are involved.

THE PRESIDENT. Well, that's—then that's a different matter. I am speaking strictly of Americans under—no matter where they are, you ought to have the same privilege that you have at home, if you work for the Government. I don't care where you are, in the occupied areas, or the trial of these foreigners, it's comparable to that.

Q. Mr. President, on the other hand, don't you think American justice should be full and open?

THE PRESIDENT. Well, that's a matter for argument, I think, if it comes to spies in enemy countries.

[18.] Q. Mr. President, what do you think of this controversy between certain reporters working in Japan and Secretary Royall, as to what he said, that we might have to pull out of Japan in case of war with Russia?

THE PRESIDENT. That's not my controversy. I would talk to the Secretary for Army.

Q. Do you think Japan would be a military asset, or a liability?

THE PRESIDENT. I couldn't understand what you said?

Q. I said do you think that Japan would be a military asset or——

THE PRESIDENT. I have no comment to make on that. The policy on Japan is set and fixed, and it hasn't changed.

There has never been any change in policy, nor is there any indication of a change in policy.

[19.] Q. This is a local question, Mr. President. Philadelphia is having a transit strike that has everything tied up. Is there any law or provision under which you can intervene?

THE PRESIDENT. None at all. That is a matter for Pennsylvania to handle.

[20.] Q. Mr. President, do you have the social security recommendations ready?

THE PRESIDENT. I beg your pardon?

[7] Ernest B. Vaccaro of the Associated Press.

Q. Your recommendations on social security?

THE PRESIDENT. They are in the course of preparation, and as soon as possible we will have them ready.

Q. Will it follow the plan of last May 24, in which you submitted a message to Congress outlining——

THE PRESIDENT. That's right—I believe I referred specifically to it in the message—in the Message on the State of the Union, I think.

[21.] Q. Mr. President, Senator Taft has said that the anti-inflation bill that went up the other day proposes a controlled economy. I was wondering if you have anything to say on that?

THE PRESIDENT. I have no argument with Senator Taft. My views on the subject have been expressed in message after message to Congress. If the Senators want to have an argument about it, that's their privilege.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's one hundred and sixty-ninth news conference was held in his office in the White House at 4:02 p.m. on Thursday, February 17, 1949.

33 Remarks to Officers of the Veterans of Foreign Wars. *February* 18, 1949

IT IS GOOD to see all of you. I wish it were possible for me to attend every veterans meeting to which I am invited. It is impossible, though I am glad it was possible to get you in this afternoon.

I am familiar with your problems, and I am familiar with your organization, having been a member of it since 1919. I have been to a number of your national conventions. I was at one of your encampments when I was Vice President, if you remember. I couldn't get around last year; I had too many other engagements!

I hope that you can continue your constructive program. I hope it will be possible for you to help me to help the veterans of the country understand that this United States is theirs. They fought to maintain it. It was due to their efforts that we have been able to continue the constitutional government instituted in 1789 by the greatest group of young men who ever got together to organize a government. That was the Constitutional Convention of 1787, implemented in 1789.

In order to maintain that government, we must understand that it has certain limitations. It is your Government. Your Congress and your Governors and your State legislators are all a part of it, and there are certain limits to which its financial welfare cannot be stretched. I want you to bear that in mind very carefully when you are considering the welfare of the veteran.

I don't think that in the history of the country any veteran has ever had the opportunity that was presented to those returning from this war, and I am happy to say that a vast majority of them took advantage of those opportunities.

They are now the businessmen and the citizens and the executives in every walk of life. There are around 17 or 18 million veterans in the United States at the present time, and they are the young men of the country. They are connected with at least 40 million of the population of 140 millions. So it is as necessary for you to assist the Government as represented by your President, and Congress and the Governors and

the State legislators to maintain that Government, and see that it maintains the solvency that is necessary for its continuance, as it is for me as President to try to maintain it now in this troubled world.

I am counting on you for help and support to carry out those policies which will make the country a better place in which to live and one which will give the rest of the world an example of how a government, of and by and for the people, can function. I know you can do that.

Thank you very much for coming over. I appreciate having you.

NOTE: The President spoke at 3:25 p.m. in his office at the White House.

The group was in Washington to attend the Annual Conference of National Officers and Department Commanders of the Veterans of Foreign Wars.

34 Statement by the President Reactivating the United Service Organizations. *February* 19, 1949

ON December 31, 1947, I granted an "honorable discharge" to the USO, the United Service Organizations. At that time I reserved the right to call on these organizations to serve the country again in time of need. The conditions which make it necessary for us to have a large peacetime defense establishment call for the reactivation of this agency as a civilian counterpart.

Although the wartime USO ceased operations on December 31, 1947, some 105 servicemen's clubs, lounges, and information centers continued to be operated by the six national agencies, with USO funds, in locations near military installations. USO funds also continued to support a program of live entertainment for 112 army, navy, and veterans hospitals, carried on by veterans hospital camp shows. All of this program will be maintained by the reactivated USO and, in consultation with military advisers, stepped up in areas where it is most vitally needed. In 1949 it is anticipated that USO operations, exclusive of hospital camp shows, will total between 140 and 150 units in the United States, Alaska, and Guam.

Those who volunteer their services to the USO or give to it, either directly or through their Community Chests, are discharging an obligation the entire public owes to our citizens who are only temporarily in service and will return to civilian life. It is, under no circumstances, a charity, but a great voluntary public service.

The USO lets our servicemen and women know that the people of the United States are behind them. It is evidence of our unwavering intention to keep this an army of democracy, with peace as its goal. We must never forget that the vast majority of our selectees and volunteers are mere youngsters in their teens. Of the approximately 2,100,000 men and women who will be in our defense forces this year, 60 percent will be under the age of 20. For them the USO is a strong and steady link with the homes from which they came and to which they will be returning. It is important to keep this home contact, with all that it means of wholesome influences, happy associations, and strong spiritual resources.

35 Special Message to the Congress Transmitting Bill Extending the Institute of Inter-American Affairs. *February* 21, 1949

To the Congress of the United States:

I commend to the favorable consideration of the Congress the enclosed letter from the Under Secretary of State and the accompanying draft legislation to make possible the continuation and expansion of the cooperative programs in public health, sanitation, education and agriculture that this Government is carrying on, through The Institute of Inter-American Affairs, in partnership with the governments of other American republics.

The conditions of modern life are drawing the American republics together in an increasingly close community of neighbors. It is a basic and enduring purpose of the foreign policy of the United States to play the part of the good neighbor in that community.

The United States and the other American republics have repeatedly proclaimed their common purpose to promote by cooperative action their economic, social and cultural development, and to work with one another to achieve just and decent living conditions for all their peoples. The United States has given tangible proof of its desire to cooperate in the realization of these aims by assisting its neighbor republics in the development of their basic economies. Our relations have constituted friendly, constructive and effective partnerships which it is our aim to extend and strengthen.

Since the early part of 1942, this Government has, through the Institute of Inter-American Affairs and its predecessor agencies, entered into bilateral arrangements with the governments of other American republics under which we have worked with them on programs in public health, sanitation, agriculture, education and related fields—programs designed to promote the development of the basic economies of the cooperating republics. The present Institute of Inter-American Affairs was chartered by the Congress as a wholly-owned Government corporation in an Act approved on August 5, 1947 and authorized to continue this cooperative program through the end of the fiscal year 1950. Its exceptional success in realizing this Government's objectives in an increasingly effective manner leads to the conclusion that we should continue it, as a vital instrument of our long-range policy, beyond that limited period. These are programs that, over the years, have been tried, tested, and found good. I therefore request that the Congress authorize a continuation of these programs on a scale that will enable us, more effectively, to help our neighbors help themselves.

I stated recently that we must embark on a program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas. Within the Western Hemisphere we have already built firm foundations for this program, and have already begun to demonstrate the benefits that can flow from such a program. The continuing growth of solidarity, friendship and close cooperation among the republics of the Western Hemisphere benefits us as well as our neighbors. Each of the American republics, the United States included, is helped in its own progress by the improvement of economic, social and cultural conditions in the others. By continuing this international cooperation for raising the standard of living of all the peoples in the

Americas, the United States can give further, practical form to the high purposes of our policy.

HARRY S. TRUMAN

NOTE: On September 3, 1949, the President approved a bill extending the Institute of Inter-American Affairs (63 Stat. 685).

36 Remarks at a Dinner in Honor of General Vaughan Given by the Reserve Officers Association. *February* 22, 1949

I DON'T know whether I am supposed to tell all I know on Vaughan or not—if I haven't, the time is about right; but I am very happy to be here tonight because I have known General Vaughan all his military life, and some time besides.

He was at Fort Sill in 1917 at the training camp known as Camp Donovan, 35th Division, First World War. That dates him—and me, too. He was a sergeant in the field artillery when I was down there, and I was a first lieutenant. He went to a school down there known as the university of "doubt." He came out, I think, number four in his class. At any rate, he got a commission as first lieutenant. From then on he was in the heavies, 35th Field Artillery—155 Howitzers—went through the First World War, with honor to himself and a credit to his organization.

And then in 1940 he was my secretary when I was United States Senator from Missouri. He could have remained as my secretary if he had chosen to do it. Instead of that he was called into active service as a lieutenant colonel in the field artillery, and was sent to Australia. He served down there until he met with an accident—an airplane accident—chest crushed, leg was broken, and he was sent back to the United States.

When I became Vice President of the United States, I made him one of my secretaries, and my military adviser. When I became President, I made him aide to the President of the United States.

I have three aides now, all able and efficient officers in the Army, the Navy, and the Air Force. I see my Naval Aide is sitting here at this end of the table. He used to command the battleship *Missouri*. I had quite a trip on that battleship. General Landry, over there, my Aide for Air, is an efficient and able one; and I have an aide for health over here, Dr. Graham, who is responsible for the fact that I can travel 31,700 miles and make 357 speeches and wear out all the newspapermen on the trip.

What I am leading up to is this, that there have been some very vicious attacks on my military aide, unjustified, and I say it advisedly, vicious. They are not intended to smear him, but he happens to be my military aide and in a campaign I am the head of one of the great political parties, and therefore a fair target for everything, and those who are around me sometimes get the attacks, and they are not pleasant.

But I can say this to you, that I have four secretaries, these three military aides, and a number of executive assistants, and they are able to take it.

I was reading a book this evening on pollsters. It is a most interesting book—it's just out. And the gentleman who wrote that book made a remark which I think is a classic. He said that if he ever found himself in agreement with the Chicago Tribune, or some of these columnists and broadcasters who have been attacking my staff, he

would know very well that he was wrong and he would survey his situation once more before he decided.

It was my very great privilege to have General Marshall as Chief of Staff, when I became President of the United States. General Eisenhower was in command of all the Armies in the European theatre, General MacArthur was in command of all the Armies in the Asiatic theatre, and General Eisenhower had an Army Commander who commanded more troops in the field than any other general in the history of the world. One day I got General Marshall to come over to see me, and he came into the outer office to wait for his turn to come in.

Now I may be bragging a little bit if I say I am usually prompt in my appointments—nobody has to wait on me; but he had to wait because he was early. And my appointment secretary asked him if he remembered a certain conversation that I had had with him in his office in 1940, when we passed the Draft Act. I had gone down to see General Marshall then, and asked him if he could make arrangements for me to have an artillery group in the coming unpleasantness, which I thought at that time we had to face.

And he looked at me, pulled his specs down on his nose, like that, and said, "How old are you?" I said, "I am 56." "Well," he said, "you are too derned old, you had better go home and keep on working in the Senate."

My appointment secretary asked him what he would say under present circumstances, if he were asked the same question. And General Marshall stuck to his guns and said, "I would say the same thing, only I would be a little more diplomatic."

Well, what I wanted to see General Marshall about was to assign his famous field commander to me as head of the Veterans Bureau. That was General Bradley. He was made head of the Veterans Bureau by me. Then I made him Chief of Staff. I think he is one of the ablest military men in the United States. I am glad he is here tonight. I am glad to pay him that tribute.

Now, I am just as fond and just as loyal to my military aide as I am to the high brass, and I want you to distinctly understand that anyone who thinks he can cause any of those people to be discharged by me, by some smart aleck statement over the air or in the paper, he has got another think coming.

No commentator or columnist name any members of my Cabinet, or my staff. I name them myself. And when it is time for them to be moved on, I do the moving—nobody else.

I think I have one trait, and that is I never go back on a friend. A great many so-called friends have been a little jittery about me, sometimes, but I have never been. They were not so jittery on the 3d of November as they were on the first.

It is a very great pleasure to me to be able to come over here tonight and be present at these fine tributes that have been paid to my able and efficient military aide.

I want to say to you, and to all the rest of my secretaries, that I want you to bear that in mind, because that is the reason we can operate smoothly and put over a program which the voters decided that we should put over on November the 2d. And we are going to put it over, don't forget that!

Thank you very much.

NOTE: The President spoke at 8:50 p.m. at the Army and Navy Country Club in Arlington, Va.

In his remarks the President referred to Maj. Gen. Harry H. Vaughan, Military Aide to the President; Rear Adm. Robert L. Dennison, Naval Aide to the President; Brig. Gen. Robert B. Landry, Air Aide to the President; Brig. Gen. Wallace H. Graham, the White House Physician; and Matthew J. Connelly, Appointments Secretary to the President.

37 Remarks at a Savings Bond Drive Dinner. *February* 23, 1949

Mr. Secretary of the Treasury and all these distinguished guests and volunteers:

It is a wonderful thing you are doing for the country. I can't tell you how very much it is appreciated by every member of the Government of the United States. You are doing something that is going to be not only for the welfare of the country so far as stabilization and things of that kind are concerned, but you are going to do a favor to the people you call on, and the people you engage to help us in this opportunity drive.

I came over here personally to thank you and express my own personal appreciation as President of the United States for what you are doing.

Keep up the good work. As long as people are interested in the welfare of the Government, as you are interested in it, I haven't any doubt as to its stability and its lasting power. I think we are good for a thousand years.

I appreciate the fact that all of you are exceedingly busy people. You are making a contribution of your time and your effort to the welfare of your Government, and that is what makes this country great. Whenever an emergency faces us of any sort, I don't care whether it's a bond sale, or a snowstorm, or a flood, we always find the people at hand, willing to do what is necessary to make this great Republic what it is, a company of good neighbors, who think only of the welfare of the country as a whole.

That is what you are doing. You are making a great contribution, just as great as you made in the wartime.

Again I want to thank you for it.

NOTE: The President spoke at 8:30 p.m. in the Sapphire Room at the Mayflower Hotel in Washington. In his opening words he referred to John W. Snyder, Secretary of the Treasury.

38 Remarks at the Jefferson-Jackson Day Dinner. *February* 24, 1949

[Delivered at the Mayflower Hotel in Washington at 9:40 p.m.]

Mr. Chairman, fellow Democrats:

I can't tell you how very much I appreciate the introduction of the chairman of the Democratic National Committee. I wish I deserved everything he said.

I thought we had a perfect toastmaster, or presiding officer, for this occasion in Wilson Wyatt. I was most highly pleased with the speech of Mrs. Mesta. If that is her first effort at a political speech, I wonder what she will do 10 years from now? My first effort at a political speech would not be printable—or quotable.

I enjoyed the orchestra. I am very fond of good music, and I think Mr. Tucker has one of the loveliest voices I ever listened to—and I have heard a great many of them.

If I remember correctly, I stood right here on the 19th of February 1948, and told you that you were looking at the next President.[1] Well?

There were a lot of people at that time

[1] For the Jefferson-Jackson Day Dinner address, see 1948 volume, this series, Item 32. See also the President's remarks at the Young Democrats dinner on page 259 of the same volume.

who disagreed with me. And they had a lot to say in editorials and columns, and newspapers. Ninety percent of them were of the opinion that somebody else would be President now. I am sorry to have disappointed them!

I am most happy, *most* happy, to have together all the September Democrats, and the October Democrats—and the Monday Democrats, and the Tuesday Democrats, and the Wednesday Democrats!

The Democratic Party, you know, is a great institution. I think it is the greatest political party in the history of the world. Thomas Jefferson first enunciated the principle that the source of power is in the people, and that the people are to be trusted in the conduct of their government. Everybody in Jefferson's day considered that a fine theory, but not much good in practice.

Then came along an old man from Tennessee, and he took a hickory stick and he put it into practice.

Tonight, we are honoring those two great men—Thomas Jefferson and Andrew Jackson.

Since that time, we have had some great Democratic Presidents. Woodrow Wilson and Franklin Roosevelt gave us the new freedom and the new deal. And now we are continuing those principles of the Democratic Party enunciated by those four great Democratic Presidents.

I am just as sure as I stand here that the people are with us in our efforts to implement the Democratic platform of 1948. They believed us when we said that is what we are intending to implement, and they are going to stay with us while we do it. And I think this great turnout of those September and October Democrats conclusively proved that that is exactly what we are going to do.

I can't tell you how very much I appreciate this privilege. As you know, last year we started at the Statler and ended up here. This year we had to reverse the procedure, we are starting here and we are ending up over at the Statler. So I have to go over to the Statler, and with Senator Barkley reiterate those same principles on which the Senator and I were elected. He is now the Vice President. I always call him Senator—in fact, I always call him boss, because he was the Floor Leader of the Democratic Party all the 10 years that I was in the Senate, and I never did call him any other way but the man who knows where he is going, and what he is doing—and he does.

I sincerely hope that you will give me credit for going the same way.

NOTE: The President's opening words "Mr. Chairman" referred to Senator J. Howard McGrath, chairman of the Democratic National Committee. Later he referred to Wilson W. Wyatt, chairman of the dinner, Mrs. Perle Mesta of Washington, D.C., and Richard Tucker, a tenor with the Metropolitan Opera.

39 Address at the Jefferson-Jackson Day Dinner. *February* 24, 1949

[Delivered at the Statler Hotel in Washington at 10:40 p.m.]

Fellow Democrats, Mr. Chairman of the meeting tonight, Mr. Chairman of the National Democratic Committee:

I certainly appreciate that wonderful introduction. I enjoyed immensely the statements of the Vice President. I think he rather hit the nail on the head when he talked about the splits.

This is a happy occasion for the Democratic Party. I know that all the gatherings

of our party, throughout the country, are as cheerful as this one, and I give all of them greetings.

I am happy to be up here talking to you once more from the same old stand.

This is right where I expected to be.

I don't know whether you remember it or not, but I told you on the 19th of February last year that you were looking at the next President. And you are! [1]

What I feel tonight is not personal pride or elation; it is a deep satisfaction that our party has served its country so well that the people have endorsed it for the fifth consecutive time.

I am aware that this was something of a surprise in certain quarters. I am told that some people were even making elaborate plans with considerable relish, to bury the Democratic Party and all it stands for.

These persons were like certain friends of Andrew Jackson, whose memory we are honoring tonight.

Once upon a time, there were a number of citizens who thought that Andrew Jackson ought to have a suitable coffin. At great expense, they went to Syria and purchased a marble sarcophagus. A sarcophagus, as you know, is a tomb—a big marble coffin with a marble lid. These citizens then shipped this marble box to Washington, which was quite a job as it weighed four or five tons.

At last, they thought, a suitable resting place had been provided for Andrew Jackson.

Well, the only trouble with the project was that Andrew Jackson wasn't dead. Moreover, he wasn't ready to die. And he did not intend to be hurried to his grave.

Courteously but firmly he wrote to these well-meaning citizens, and said, "I must decline the intended honor."

And they never did get Old Hickory into that thing. You can still see it, if you're interested, out in front of the Smithsonian Institution. It still sits there. Andy wouldn't even be buried in it.

I think that this little story has a moral in it. It is this: Before you offer to bury a good Democrat, you better be sure he is dead.

There is another lesson we can derive from the more recent past: You cannot bury the Democratic Party as long as it is working for the welfare and the advancement of the people of this Nation.

The central issue of the campaign last fall was the welfare of all the people against special privilege for the few.

When we made it clear where the Democratic Party stood on that issue, the people made it clear where they stood with us.

The Democratic Party has had a long and glorious history. Through its founders and leaders, whom we honor tonight, its roots go back to the American Revolution. But however ancient and glorious it may be, our party is not and never has been an end in itself. The only justification for the Democratic Party is its usefulness to the American people in achieving the government they desire.

I am proud and happy to say that never before has the Democratic Party been more firmly dedicated to a program in the interest of all the people. The platform adopted by the Democratic Convention of 1948 is clear and forthright.

Our job now is to enact into law the programs that the people need and deserve.

And that is exactly what we are doing.

We are meeting determined opposition.

[1] For the Jefferson-Jackson Day Dinner address see 1948 volume, this series, Item 32. See also the President's remarks at the Young Democrats dinner on page 259 of the same volume.

The special interests are fighting us just as if they had never heard of November the 2d. For them, campaigns and elections are just preliminary exhibition matches—the fight in the Congress is the main issue with them.

The special interests are on the job year in and year out—7 days a week, 24 hours a day. They work through their lobbies and pressure groups, through the editorial pages and the columnists and commentators they control. They twist and misrepresent the measures the people voted for. They are again trying to frighten the people with the old, wornout bugaboo that socialism is taking over Washington. They have been saying that for 16 years, ever since I have been here. Not a word of truth in it, of course.

This one-sided barrage of propaganda seems overwhelming at first. There are no full page ads on our side. In fact, all we have on our side is the people. Thank God for that!

But that is enough—because the people are aroused.

I did a lot of traveling around the country last fall, and I found that the people were vitally interested in what their Government was doing. Make no mistake about it, there has never been a time when the people were so well informed about the Congress, and the President, and the records of their Representatives and Senators as they are now.

This concern on the part of the people is a fine thing for the growth of democracy and responsible government. I propose to do all I can to help it along. In fact, I may even get on the train again and make another tour around the country. If I get on that train, I am going to tell the people how their Government is getting along. And I know how to tell them.

If we keep the people fully informed, I am confident that they will support the Congress and the President in our fight against the special interests.

It is important that the American people should be aware of the tactics that the special interests are using to obstruct our programs.

Right now the special interests are using every trick they can think of to defeat our labor policy.

After the election, hardly anybody had a good word to say about the Taft-Hartley Act.

But now, when I ask the Congress to repeal the Taft-Hartley Act, exactly as I said I would in the campaign, there are great outcries from the special interests. "He can't mean it," they say, "Repeal the Taft-Hartley Act? Repeal that beneficent, charitable, kindly statute—that charter of labor and the workingman's friend! Why, it's unthinkable!"

And they keep this up night and day in an effort to convince the people that the Taft-Hartley Act is a good law. But it's no use. It isn't any use.

All the oratory in the world won't change a bad law into a good law.

When the Taft-Hartley Act was before the Congress, a Republican Senator called it "a device for making unions so weak they cannot carry on effective collective bargaining." And that Senator is running around trying to keep it from being repealed right now.

That was true then, and it is true now.

The Taft-Hartley Act is an insult to the workingmen and women of this country and they won't rest until it is repealed and destroyed.

After the election, I thought we would have the cooperation of our Republican friends in this effort. I felt sure that the Republican Party would be anxious to throw the Taft-Hartley Act overboard faster than

the sailors got rid of Jonah. I am beginning to think maybe I was wrong about that.

But no matter what the Republicans do, the course that our party should follow is abundantly clear.

The Democratic Party, in its platform, is solemnly committed to work for the repeal of the Taft-Hartley Act.

We are working for its repeal; and with the support of fairminded Americans, regardless of party, we will continue to work for its repeal until it is replaced upon the statute books with a labor law that is fair and decent.

The same diehard reactionaries who want to cripple the labor unions have also started a campaign of confusion against all other measures for the welfare of the people.

They say they are for extending and improving social security—but they call our proposals a bureaucratic system that will destroy the character of every American.

They claim to be in favor of housing—but they say our low-rent housing program is a mistake because it does too much for low-income families. Can you beat that?

They make speeches about the American home—but they encourage landlords to lock out their tenants until rent control is repealed.

They say they are in favor of good wages—but they argue that the minimum wage should be held down to a starvation level. They are making exactly the same speeches now against the 75-cent minimum wage that they made back in the thirties against a 40-cent minimum wage.

They claim to be in favor of developing our great river basins—but they raise the old cry of "superstate" against every practical step we propose.

We will not be deceived by their propaganda. Despite their efforts to confuse, we will enact the programs to which we are committed.

We can and we will provide a better life for all our people.

At the heart of our program lies our determination to preserve the health of our economy. We know that the welfare of the whole Nation depends upon keeping our economy well balanced—seeing to it that each group gets its fair share of the goods we produce.

The special interests have attacked every governmental measure we have devised to keep our economy on an even keel.

As an example, last year some selfish groups tried to destroy our farm price support program.

It is a good thing for the country that they failed in that.

These farm price supports are actually supports of our entire economy. In the 'twenties, the collapse of the farm prices brought on a depression in agriculture which ultimately spread to the whole economy and dragged the country down to breadlines and bank failures.

But this time the farmer and the economy are protected from such a collapse by the farm price support program. I ask you to remember these facts when the special interests begin to raise their usual hue and cry about the cost of price supports.

In further support of nationwide prosperity, we have submitted to the Congress proposals for maintaining full production and full employment.

The proposals I made are designed to aid business in increasing production and eliminating bottlenecks; they are designed to keep price movements balanced, and to prevent shortages from driving certain industrial prices higher while farm prices are leveling off.

These proposals are being attacked by those special interests who are making excessive profits out of present shortages. And the usual outcries about regimentation are now filling the air.

It is easy to be misled by a small group of special interests engaged in a campaign of misrepresentation. We must not let the selfish demands of special groups blind us to the common good.

The success of every business enterprise depends upon the prosperity of the whole country. Your Government is pledged to use all its resources to maintain the economic health of the country and to prevent depression. To do this means that the Government must act—act wisely and judiciously—but it must act.

A government able and willing to act in the interest of the whole economy is a better friend of free competitive enterprise than a "do-nothing" government ready to let the economy slide down into a depression.

The great problem of the free western democracies is the problem of boom and bust. The future of the world depends upon our ability to master that problem. During the last 16 years, this country has made great progress toward solving that problem. This progress has been made over the protests of selfish and shortsighted people. We have not let them stop us in the past. And we will not let them stop us now.

In his first inaugural address, 148 years ago, Thomas Jefferson said that this country was in "the full tide of a successful experiment." He called our Government "the world's best hope." Today we are again in the full tide of a successful experiment—the experiment of achieving economic abundance and basic human rights in a society of free institutions and free men. Today this experiment is again the world's best hope. Today it is the hope of a world confronted by greater dangers and greater possibilities for good than were dreamed of a century and a half ago.

Great as our responsibilities are, we have nothing to fear if we rely upon the energy, the resourcefulness and the commonsense of the American people. So long as the people understand the issues of the day, the special interests cannot prevail against the general welfare.

With the understanding and energy of this mighty people, our Nation can move confidently toward the goals of prosperity and peace.

NOTE: In his opening words the President referred to Wilson W. Wyatt, chairman of the dinner, and Senator J. Howard McGrath, chairman of the Democratic National Committee. The address was carried on a nationwide radio broadcast and was televised as far west as St. Louis, Mo.

40 The President's News Conference of *February* 24, 1949

THE PRESIDENT. I have a couple of announcements to make this morning.

[1.] Cornelius Vanderbilt Whitney is to be Under Secretary of Commerce, to fill the vacancy caused by the resignation last spring of William C. Foster, now with the Economic Cooperation Administration. Mr. Whitney is now serving as Assistant Secretary for Air.

[2.] And I want to make a statement which will be available after the conference on the Israeli-Egyptian armistice.

Q. I didn't understand your preface there, sir?

THE PRESIDENT. It's a statement on the Israeli-Egyptian armistice which was just signed.

[*Reading*] "I am immensely gratified over the news from Rhodes that the Representatives of Egypt and Israel have signed an armistice agreement. This act is a tribute to the restraint and statesmanship of the two governments. I wish, also, to congratulate the United Nations Mediator, Dr. Ralph Bunche, whose untiring efforts have so greatly contributed to the success of these negotiations.

"I hope that now a formal armistice has been agreed upon between Egypt and Israel, this pattern for peace will be followed rapidly in the conclusion of similar agreements between Israel and the other Arab States. The general armistice will then, I trust, lead to the attainment of permanent peace, thus freeing the talents of these Near Eastern peoples for constructive work in the development of their respective countries. As a member of the Palestine Conciliation Commission, the United States stands ready to assist the parties to the rapid conclusion of a just and honorable peace."

I am ready for questions.

[3.] Q. Mr. President, are you planning to have sent up a message soon on compulsory health insurance?

THE PRESIDENT. Within several weeks I expect to have a message on health insurance and the health situation generally. It will be several weeks before it is ready.

Q. In that connection, Mr. President, we understand that possibly you are going to recommend that the unemployment compensation be returned to Federal control rather than State control?

THE PRESIDENT. When the message is ready why it will explain to you just exactly what I mean and everything, and it will be perfectly clear. I don't like to comment on it before it is ready.

Q. Mr. President, will that be a general statement on social security or on health?

THE PRESIDENT. Health. It will be confined strictly to health.

Q. The whole national health program would be involved, rather than just the one angle there?

THE PRESIDENT. That's right, the whole national health program, and it will be stated very plainly, so there won't be any argument about it.

[4.] Q. Mr. President, do you care to comment on your conference with Ambassador Bruce of Argentina regarding——

THE PRESIDENT. Ambassador Bruce was just reporting to me on the Argentine situation. I have no comment on what he had to say.

Q. Is he going back to Buenos Aires?

THE PRESIDENT. I hope he will.

[5.] Q. Mr. President, a spokesman for the British Government has said in the last few days that Britain has now virtually completed her economic recovery. In view of that statement, do you think it wise that the United States continue to pour Marshall plan money into Great Britain?

THE PRESIDENT. I am very happy at what the British spokesman had to say. I do not know the details, and I can't answer the latter half of your question. The Marshall plan should be continued until European recovery is assured.

[6.] Q. Mr. President, the Federal Reserve Board is holding antimonopoly hearings involving a giant bank holding company in the West. Is that within the scope of your program for antimonopoly activities?

THE PRESIDENT. I know nothing about the hearing you are talking about, and I can't comment on it, therefore.

[7.] Q. Mr. President, congressional leaders say that you had asked for passage of the Reciprocal Trade Agreements Act by March 4, and that you had asked for it by that date. Would you tell us why that date——

THE PRESIDENT. I was anxious to have that trade agreements treaty approved as soon as possible. And March 5 is the date. I hope they will get it through because that date is a weekend.

[8.] Q. Mr. President, Engineer Commissioner Young was here the other day and he discussed District affairs. Is there any light that you would care to throw on that conversation?

THE PRESIDENT. No. I think that covers it. That is exactly what we discussed.

Q. Broad gauge?

THE PRESIDENT. Broad gauge proposition on the planning for the District.

[9.] Q. Mr. President, Representative Jackson of Washington said yesterday that you are planning to send a member of your staff, along with some of the Interior Department people, out to the Northwest to study the CVA.[1]

THE PRESIDENT. That is correct.

Q. Who is going from the staff?

THE PRESIDENT. I will announce it when it is ready. I can't make any announcement now on that, because we are not ready.

[10.] Q. Mr. President, in connection with Palestine, it has been reported that the Middle East is one of the underdeveloped areas in which you would like to put into effect your bold new program. Is there anything you could say about that?

THE PRESIDENT. Well, I don't like to comment on that at this time. I think there are certain developments in the Middle East that would be for the welfare and benefit of the whole region; and at a later date, after peace has been arrived at in that section, why we can discuss them in detail.

[11.] Q. Mr. President, when you say you believe the Marshall plan should be continued until European recovery is assured, do you mean within the 4-year limit which has already been fixed in that plan?

THE PRESIDENT. If it takes 4 years, all right. If the British announcement proves to be correct, it may not take that long.

[12.] Q. Mr. President, from what you said in the past, that you favor a pay raise for the Army and Navy, do you specifically approve the bill that was introduced this week by, I think, Chairman Vinson?

THE PRESIDENT. I have not been able to analyze that report. I can't comment on a bill that is introduced, because I don't know what it contains.

[13.] Q. Mr. President, what would your attitude be toward enactment now of a pension or a bonus for World War I and II veterans?

THE PRESIDENT. I will comment on that matter when it comes before me.

[14.] Q. Mr. President, do you contemplate taking in the final phases of the Caribbean maneuvers when you are down in that direction?

THE PRESIDENT. No, I do not.

[15.] Q. Mr. President, do you plan to suggest any special aid for the Virgin Islands, now that Governor Hastie is in town?

THE PRESIDENT. I have been making suggestions which I think would be helpful to the Virgin Islands ever since I have been President. I shall continue to make those recommendations.

[16.] Q. Mr. President, are you going to Independence for the opening of the bond drive? I saw a story in the paper this morning that said it would start from out there and you would open it.

[1] The proposed Columbia Valley Administration.

THE PRESIDENT. No. I am not going to Independence. I can't. I have too much business here.

[17.] Q. Mr. President, there was an editorial—a short editorial—in the Washington Star yesterday that seemed to me that the writer would seem to be confused as to the meaning of the initials you used in the speech [2]——

THE PRESIDENT. I fear he will have to remain confused. [*Laughter*]

Q. Who is confused?

THE PRESIDENT. The editorial writer on the Washington Star.

Q. Is he the only one? [*Laughter*]

THE PRESIDENT. You would have to see about that, Joe.[3]

Q. I don't believe he was confused. I think he was just looking for a nice way out. [*Laughter*]

Q. Mr. President, what reaction have you received to that comment——

THE PRESIDENT. Very satisfactory to me. [*Laughter*]

[18.] Q. Mr. President, I see that among the candidates for the Nobel peace prize are President Perón of Argentina and my colleague, Mr. Drew Pearson. Were either of them nominated by the Government of the United States?

THE PRESIDENT. I can say categorically that they were not. [*Laughter*] Probably nominated by themselves.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's one hundred and seventieth news conference was held in his office at the White House at 10:30 a.m. on Thursday, February 24, 1949.

[2] In the Washington Evening Star of February 23 a news item states that a change had been made in the official transcript of the President's remarks at the dinner honoring General Vaughan (Item 36); that in the paragraph toward the close which begins "Now, I am just as fond and just as loyal" the President had used the expression "any SOB" instead of the milder "anyone" which appears in the release.

The editorial referred to, which appears in the same edition of the Star, follows:

"Blankety Blank, Mr. President!

"Our language is plagued with initials already. They drive a man wild. Reading a newspaper story is becoming a frightful experience, trying to remember what is meant by such terms as ERP, ECA, BLS, CARE, OEM, WAA, IMF, WHO, UNO. Now the President, unfortunately, has got into the habit of speaking in the same lingo. The Star protests. Why, if he wants to bring it into a public speech at all, does he not say "The Senate Office Building" instead of reducing the term to such a meaningless symbol as SOB? There is a limit to everything. The President has gone too far."

[3] Joseph A. Fox of the Washington Star.

41 Letter to Senate and House Committee Chairmen on the Folsom Dam. *February 25, 1949*

Dear Mr. Chairman:

Work is now under way on Folsom Dam, on the American River in California, which was authorized for construction by the Corps of Engineers, Department of the Army, in the Flood Control Act, approved December 22, 1944.

Last year, in a message dated January 12, 1948, I recommended that the Congress expand the present authorization for the construction of Folsom Dam to provide (1) for the transfer of the dam and reservoir, upon its completion, to the Bureau of Reclamation for operation and maintenance as a coordinated unit of the Central Valley project under the Federal Reclamation law; (2) for construction by the Bureau of Reclamation of a power plant, afterbay and neces-

sary transmission lines, and (3) for construction by the Bureau of Reclamation of irrigation canals and related works needed to deliver water from the reservoir to irrigation districts, cities, and suburban areas. For the reasons set forth in my message last year, I believe that these recommendations will provide for the achievement of the greatest possible benefits for the people of California and the Nation from the multiple-purpose use of the waters to be controlled by the Dam.

Although action on these recommendations was not completed in the 80th Congress, a number of bills to accomplish these same purposes are pending in the present Congress. I hope that your Committee and the Congress will act favorably on legislation to carry out these recommendations.

Sincerely yours,

HARRY S. TRUMAN

NOTE: This is the text of identical letters addressed to the Honorable Joseph C. O'Mahoney, Chairman of the Senate Committee on Interior and Insular Affairs, and the Honorable Andrew L. Somers, Chairman of the House Committee on Public Lands.

On October 14, 1949, the President approved a bill "to authorize the American River Basin development, California, for irrigation and reclamation, and for other purposes" (63 Stat. 852).

42 Radio Address Opening the Red Cross Fund Campaign. *February* 28, 1949

[Broadcast from the White House at 9:55 p.m.]

My fellow Americans:

On the eve of the 1949 fund campaign of the American Red Cross, I consider it not only a duty, but a genuine privilege, to call upon all men and women of good will to support this humanitarian cause.

Earlier tonight, millions of you heard stirring Red Cross messages dramatized by some of America's finest talent. During the month of March, citizens throughout the United States and Canada will hear and see other programs dedicated to this annual campaign. Keeping the Red Cross strong is a part of our overall job.

This afternoon I renewed my annual membership in the Red Cross, just as I have done for many years. As evidence of enrollment I was given a small button for my lapel—a red cross emblem on a field of white. Here is a symbol we can all wear proudly, with full confidence that it stands for a movement which works for all the people all the time. Wherever there is trouble, there too is the Red Cross—a partnership of the people—translating our dollars into good deeds.

The Red Cross commands the respect and gratitude of all of us. And small wonder that it does when we review its record of performance.

The past fiscal year proved to be one of the most significant in the organization's long history. For example, in its disaster relief role the Red Cross answered the call of the distressed in 303 separate emergencies. Comparatively few of these were catalogued as major catastrophes. Let us remember, however, that whenever disaster strikes, the havoc wrought is just as devastating and bewildering to those individuals affected, whether there are 100 families or 100,000 families overwhelmed.

Through its services to our Armed Forces and to our veterans and their dependents,

the Red Cross has remained a counsellor and stalwart friend of our troops as well as all ex-servicemen.

Through its home nursing and first aid and water safety courses, it has spread better health habits and reduced the accident toll throughout the land. Through Junior Red Cross members in the schools, it has promoted better citizenship and world understanding among our youth. Through a vast network of local chapters, the Red Cross provides a service which reaches the community—the Nation—the world.

I hope you will welcome the volunteer solicitors who soon will call upon you. They are giving not only their funds, but their energies as well. Let us oversubscribe the 1949 goal of the Red Cross. Let us keep this partnership of the people ready and at full strength.

43 Statement by the President: The 100th Anniversary of the Department of the Interior. *March* 2, 1949

THE 100th anniversary of the Department of the Interior is an appropriate occasion to examine the status of our natural resources and to renew our efforts to protect, develop, and maintain these as a continuing stabilizing force in the preservation of our democracy.

In our present economy the task of conservation is not to lock up our resources but to develop and improve them. I urge that the Nation push forward vigorously with irrigation, hydroelectric power, flood control, recreational and other resource development programs of the Department of the Interior and with all other related resource conservation activities. Full development of our river basin resources can provide the raw ingredients needed for a constantly expanding and thriving national economy if the benefits are widely distributed to the people. Failure to make investments necessary to support a sound conservation program would be false economy. Despite the ruthless exploitation of our natural heritage which frequently marked the past, this country today has sufficient resources, if conserved and wisely developed.

The Department of the Interior, originally known as the Home Department, was established on March 3, 1849. This department has since developed into the official steward of a great part of our natural resources. The public domain, including range and forest lands, production of electric power and irrigation water from western rivers, fostering of fish and wildlife, maintenance of our beautiful national parks, and development of mineral resources, both private and public, are all part of Interior's conservation responsibility.

Conservation progress has not been easy. There have been backward marches and occasional defeats. But each time the movement has started up with new strength. In the first hundred years, we have learned what to do for conservation of resources. In the years ahead we must profit from the experience we have gained through these 10 decades.

44 Remarks to a Group From the Eighth Annual Science Talent Search. *March* 3, 1949

IT IS always a pleasure to meet those at the top in anything, and I understand that you won these honors by being at the top in the scientific essays which you wrote for this contest. I am sincerely hoping that all of you will go ahead with what you have started, and will come out at the top when you have finished.

There never was a time in the history of the world when we needed scientists and people of energy as we need them now. There is more room at the top now than ever in the history of the world.

Don't let anybody tell you that by effort and by hard work you can't reach the top in the profession, if you want to, because people who try to work and want to work are as scarce as the proverbial hen's teeth. Those people who want to work and are willing to shoulder responsibility will always find plenty of responsibility, and plenty of work. I think I am in a position to say that better than most anybody.

So just bear that in mind.

And I want to congratulate all of you. I appreciate the privilege of getting a chance to see all of you, and I hope that you will go out of here with the idea of finishing the job and becoming an asset to this great United States of America.

If at a later date the peace comes to the world, and we proceed to implement the policies which we are trying to inaugurate, there will be an immense number of jobs, and a greater number of jobs in your line than there will be men and women available to fill them. So bear that in mind.

I hope you will have a successful tour, and that you will finish the job which you have started.

Thank you very much. It is a pleasure to have you here.

NOTE: The President spoke at 11:30 a.m. in his office at the White House. The group included 40 young people from throughout the United States who were in Washington attending the Science Talent Institute sponsored by the Westinghouse Corporation.

45 The President's News Conference of *March* 3, 1949

THE PRESIDENT. [1.] I have one announcement to make. Mr. Forrestal is resigning effective the 31st of March, and Louis Johnson will succeed him as Secretary of Defense.

Q. Mr. President, is Mr. Kenneth Royall also resigning?

THE PRESIDENT. No—he has not.

Q. Did you talk with Mr. Royall this afternoon? He came out——

THE PRESIDENT. He stopped in to see me about another matter—not that.

Q. Mr. President, has Mr. Forrestal resigned at his own request, or yours?

THE PRESIDENT. At his own request. He has been trying to resign for a year. The letters will be released and will be available for you after the press conference. It will tell the truth and the facts.

Q. Trying to resign for over a year?

Q. Is that time March 31?

THE PRESIDENT. March 31st.

Q. Mr. President, did you say Mr. Royall is not resigning?

THE PRESIDENT. He is not.

[2.] Q. Mr. President, how about these meetings you have been having at night with industrial leaders——

THE PRESIDENT. They are my—they are my private business, and there is no comment on it.

[3.] Q. Mr. President, a couple of weeks ago we asked you about possible relaxation of credit controls, and at that time you said you did not have them in mind.

THE PRESIDENT. That's right.

Q. As they were relaxed, could you give us some idea of what happened in the meantime that caused you to change?

THE PRESIDENT. The matter was under consideration by the Federal Reserve Board, and by the Board of Economic Advisers, and by the Senate-House Committees on economic reports; and between us we all came to the conclusion that some relaxation was necessary, and that's the reason it was done.[1]

Q. Could you give us a little bit of the reasoning that led you to do it, sir?

THE PRESIDENT. Well, haven't you been familiar with the economic situation as it has developed?

Q. Well, if I have, I would like to get you to say it. [*Laughter*]

THE PRESIDENT. You won't do that.

Q. Mr. President, do you plan to ask for extension of consumer credit regulations beyond June 30th?

THE PRESIDENT. Yes.

Q. Mr. President, in the report of the Council of Economic Advisers that was transmitted with your economic message, they said to abandon the restraining influences at this time would increase our vulnerability to inflationary strains.

THE PRESIDENT. That is correct. You see, the objective of the Full Employment Act of 1946 was to put us in a position to meet either a spiral going up or one going down, and that is—those powers are being used within—in the commonsense way to prevent the thing from going in either direction.

Q. Does this mean that the spiral is going down?

THE PRESIDENT. Not necessarily.

Q. Is it going up?

THE PRESIDENT. It's going both ways. [*Laughter*] I will prove it to you. The only fall in prices has been in farm products. Lead, zinc, and iron, and all those things that go to make up building materials are on the same spiral they have always been, and so we are trying to get that thing leveled off by putting a roof on the spiral going up and putting a floor on the spiral going down. That is the objective of the whole thing. That is the reason the bill was passed.

[4.] Q. [The White House Official Reporter's note follows: "Completely inaudible to this reporter, but referred to whether the President would urge rigid support of farm prices at 90 percent of parity."]

THE PRESIDENT. I have no comment to make on that.

[5.] Q. Mr. President, have you sent to the Senate Office Building a reply to Senator Cain——

THE PRESIDENT. I am not in controversy with Senator Cain.

Q. ——on the Wallgren appointment. He charged in a letter supposed to have been sent you today that Governor Wallgren was associating with Communists?

THE PRESIDENT. I haven't received any such letter, and if I do receive one which

[1] The installment-buying changes announced by the Federal Reserve Board on March 2 extended the period of installment payments to 21 months instead of the 15 to 18 months formerly permitted. The Board also reduced downpayments from the previous 20 percent requirement to 15 percent, except in the case of automobiles where a 33⅓ percent downpayment was still required.

has been given out before its arrival at the White House, I will have no comment on it.[2]

[6.] Q. Mr. President, would you name the special interests to which you made reference several times, sir?

THE PRESIDENT. It would not be difficult to name them, Joe,[3] but then I don't think I need to name them for a reporter of the Baltimore Sun. They know the special interests and support them all the time. [*Laughter*]

Q. And some others, too.

THE PRESIDENT. Oh yes, I agree with that. It depends altogether on what your viewpoint is. Special interests is one that is against the general public interest. It doesn't make any difference what sector of the population it's in.

[7.] Q. Mr. President, would you comment on the round-the-world flight by the Air Force plane——

THE PRESIDENT. I think it was a wonderful thing. I am glad to hear about it.[4]

[8.] Q. Mr. President, there were reports that you have given approval to a loan of enough money to Argentina to see that country out of its financial crisis. Is that so?

THE PRESIDENT. It hasn't come up to me. That's the first I've heard of it.

[9.] Q. Mr. President, they are debating on the Hill whether domestic surpluses should be poured into the European recovery program on a fixed quota basis. The pros and cons—some people want so much flour—others don't. Have you any views on it?

THE PRESIDENT. I have no comment on it.

[10.] Q. Mr. President, I would like to clear one thing up. Has Mr. Cain's opposition changed your views as to Mr. Wallgren's fitness?

THE PRESIDENT. Not the slightest. That's purely a local political proposition.

Q. Mr. President, do you think he will be confirmed?

[11.] Q. Mr. President, at the Jefferson-Jackson Day Dinner, you said you might get on a train. Should we pack any time soon? [*Laughter*]

THE PRESIDENT. I would advise you to pack if you are going to Key West next week.

Q. Would you care to comment beyond Key West?

THE PRESIDENT. I will tell you about that later. [*Laughter*] I will let you know in plenty of time so that you can take enough clothes with you.

[12.] Q. May I return one minute to the B–50 flight——

THE PRESIDENT. Sure.

Q. ——would you think that the success of that flight, going around the world without a base, would call for a revaluation of the necessities for bases and carriers, and so forth?

THE PRESIDENT. Not necessarily. You have to have bases to do the filling up.

[13.] Q. Mr. President, is Louis John-

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[2] The letter from Senator Harry P. Cain of Washington was printed, with related documents, in the Congressional Record of March 3 (vol. 95, p. 1770). It expressed Senator Cain's opposition to the appointment of former Governor Mon Wallgren as chairman of the National Security Resources Board.

In the letter the Senator stated, "My opposition to Mr. Wallgren is both firm and honest. In the problem before us I respectfully suggest that the nominee, while perhaps possessing virtues required by some assignments, is singularly lacking in what you require from advisers and assistants whose sole objective is that of keeping our nation free at home and secure against aggression from abroad."

[3] Joseph H. Short of the Baltimore Sun.

[4] On February 27 an Air Force B–50 bomber, the improved version of the wartime B–29, took off from Carswell Field, Fort Worth, Tex., with a crew of 15. It was refueled in flight four times by B–29 "tankers." It returned to its starting point in Texas on March 2 after having flown a total of 23,452 miles. The time of the flight was 94 hours, 1 minute.

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son a 70-group or a 48-group man?

THE PRESIDENT. Mr. Johnson is in agreement with me.

[14.] Q. Mr. President, a statement was issued yesterday by the leaders of the American Communist Party on the position that they would take in the event of war between the United States and Russia. Have you any statement, or any comment on that statement?

THE PRESIDENT. I have no comment on a statement made by traitors.

[15.] Q. Are you in negotiation with the British, sir, to transfer to them some B–29's by 1950 or beyond?

THE PRESIDENT. Not that I know of. It hasn't come up to me.

[16.] Q. Mr. President, may we quote that "no comment" on this statement made by traitors?

THE PRESIDENT. Yes, you may.

Q. We didn't catch that.

Q. May we have that question, sir?

Q. Could we have the question and the answer?

THE PRESIDENT. The question was whether I had any comment to make on what had been said by the Communist leaders of this country as to what they would do in case of attack by Russia, and I said I had no comment to make on such statements by traitors.

[17.] Q. Mr. President, the former Governor of Puerto Rico, Governor Piñero, was reported to be slated for a job as roving Ambassador to South America. Could you say anything about that?

THE PRESIDENT. No comment.

[18.] Q. Mr. President, what about stopping the filibuster now going on in the Senate? Will it endanger your legislative program?

THE PRESIDENT. I don't think it will. I think the filibuster will run its course, and the program will go through as it is anticipated.[5]

[19.] Q. There has been some speculation on the possibility that the Indian Prime Minister, Mr. Nehru, might come to visit you?

THE PRESIDENT. I hadn't heard about it, but he would be perfectly welcome if he chose to pay us a visit.

[20.] Q. Mr. President, these Communists are already under indictment in New York, but is there any additional prosecution planned on the basis of this thing, in view of the constitutional definition of a traitor?

THE PRESIDENT. I cannot say anything about it. I know of no such program.

Q. Mr. President, would you think that such a statement by those leaders would prejudice their trial in New York?

THE PRESIDENT. Well, I don't know whether it would or not. I am not on the jury.

[21.] Q. Mr. President, I didn't understand, did you predict that the cloture would go through?

THE PRESIDENT. I said that the filibuster would eventually run its course, and the program would go through as anticipated. I have been in many a filibuster myself. I never helped to carry on one, I always tried to break them.

Q. Mr. President, do you favor the two-thirds or constitutional majority?

THE PRESIDENT. I favor the majority rule, not necessarily constitutional.

Q. Mr. President, that would be—in other words, break the filibuster by a simple majority?

THE PRESIDENT. Simple majority, that's right. That's what I always voted for while

[5] The filibuster concerned an attempt to change the Senate's Rule XXII relating to cloture.

I was in the Senate, if you want to look up the record.

Q. Mr. President, a rule, as I understand it, is pending now for a two-thirds vote?

THE PRESIDENT. That's right. This is the same rule that applies to a motion, and that now applies to the measure itself; and that is, I think, what was intended when the rule was passed in 1917. But that is now for the Senate itself to decide. I can't tell them what to do.

Q. Would you reduce the two-thirds to a simple majority?

THE PRESIDENT. Yes I would, if I had anything to do with it.

[22.] Q. Mr. President, getting back to the Cabinet, will Secretaries Royall and Sullivan remain?

THE PRESIDENT. Yes.

[23.] Q. Mr. President, what is your reaction to the Hoover Commission report?

THE PRESIDENT. I think it's a very good report, so far as I have been able to follow it, but I haven't had a chance to study it carefully. As soon as I have a chance to study it, I will send up the necessary reorganization plans, as soon as I get the authority to implement as much of it as we can.

Q. We are talking about the same report, the one on national security?

THE PRESIDENT. I am talking about the report as a whole—the whole thing.

Q. I was talking about the one on national security, sir?

THE PRESIDENT. Well, I will attend to that when we get around to it. When we get ready to answer that question, you will know exactly where I stand.

Q. On that security report, do you favor a single Chief of Staff——

THE PRESIDENT. I will let you know about that when I send my information to the Congress, which will be in a few days.

[24.] Q. Mr. President, I meant to ask about Mr. Symington, too. Will he——

THE PRESIDENT. He is going to stay.

Q. I have got them all.

THE PRESIDENT. All three of them are going to stay.

[25.] Q. Mr. President, have you under reconsideration the release to the public of the evaluation report of the Bikini tests?

THE PRESIDENT. It will not be released. It's locked up in my safe and will stay there. It's a confidential report and should not be released.

[26.] Q. Mr. President, yesterday Congressman Kirwan said he discussed Ohio politics with you, but wouldn't say what they were. What kind of politics did he discuss with you?

THE PRESIDENT. Oh, just a general look into the Ohio situation, and he told me what he thought about it, and I was very happy to have him do that. I have no comment to make on it. Ohio went Democratic the last time. [*Laughter*]

Q. Did you discuss whether Senator Taft would be beaten in 1950, sir?

THE PRESIDENT. We did not discuss that.

[27.] Q. Mr. President, you saw Senator Mead [6] yesterday. Is there anything you can say about that?

THE PRESIDENT. Senator Mead came to pay me a courtesy call. We had a very pleasant visit going over old times together.

Q. Didn't go over old jobs together, did you? [*Laughter*]

THE PRESIDENT. No. We went over old jobs in the past, but no new ones.

Q. Any for him, I mean?

THE PRESIDENT. No new ones.

Reporter: Thank you, Mr. President.

NOTE: President Truman's one hundred and seventy-first news conference was held in his office at the White House at 4 p.m. on Thursday, March 3, 1949.

[6] Former Senator James M. Mead of New York.

46 Letter Accepting Resignation of James Forrestal as Secretary of Defense. *March* 3, 1949

[Released March 3, 1949. Dated March 2, 1949]

Dear Jim:

Your letter received this day confirms our many previous conversations and discussions. I am therefore fully cognizant of the considerations which prompt your desire to relinquish your duties as the Secretary of Defense. At my personal urging you have agreed to remain in Washington far beyond the time when you had expressed a hope of leaving government service.

Your service to your country covering a period of almost nine years during this administration and that of my predecessor has been as varied as it has been distinguished. It embraced those momentous months that preceded Pearl Harbor, as well as all the war years and the critical period that has followed the cessation of hostilities.

First, as Under Secretary and during a term as Secretary of the Navy which bridged two administrations, you directed a production program which made the American Navy the greatest seapower in history. It then fell to you to assume even larger responsibilities as the country's first Secretary of Defense. You discharged all these duties well and faithfully.

While hostilities were in progress you gained firsthand knowledge of war problems through personal visits to the principal areas of war. Your entire service has been characterized by vision, foresight, and a broad appreciation of the vital importance of relating our military potential to the requirements of our national policy. As a member of the National Security Council your competent service has been a major contribution to the successful operation of that organization.

Because of those urgent personal considerations about which you have spoken to me so many times, I accept your resignation effective at the close of business on March thirty-first. Although I take this action reluctantly, I do so with less misgiving because I know you will be standing by to give advice and counsel as we go forward in the work of enhancing the national security.

For all that you have done in your country's behalf and for the service which you will continue to give out of your abundant experience, I tender you heartfelt assurance of my gratitude and appreciation.

With every good wish,

Very sincerely yours,

HARRY S. TRUMAN

NOTE: Secretary Forrestal served as Under Secretary of the Navy from August 22, 1940, through May 19, 1944; as Secretary of the Navy from May 19, 1944, through July 26, 1947; and as Secretary of Defense from July 26, 1947, through March 31, 1949.

Secretary Forrestal's letter, dated March 2, was not released by the White House.

47 Special Message to the Congress on Reorganization of the State Department. *March* 4, 1949

To the Congress of the United States:

The conduct of the foreign relations of the United States has become an increasingly momentous responsibility of our Federal Government. Many of our hopes for world peace and domestic security are dependent

upon the effectiveness of our machinery for the development of foreign policy and for translating policies into action.

The foreign affairs activities of this Government are carried on by a number of agencies, but the greatest share of the responsibility is borne by the Department of State. Moreover, the President, and the Congress as well, rely upon the Secretary of State to provide leadership among the Government agencies concerned with various aspects of foreign affairs and to recommend the steps necessary to achieve an integrated and consistent foreign policy.

The State Department has, for some time, recognized the need for modifications and improvements in its internal organization to enable it to discharge the increased responsibilities which have been assigned to it in the post-war period. During the past year, under the leadership of Secretary Marshall, the Department made certain urgent adjustments in its organization and undertook comprehensive studies of its long-range organizational requirements. The major recommendations arising from these studies received my approval some months ago, but were not placed in effect pending the completion of the report of the Commission on Organization of the Executive Branch of the Government.

The Commission has made a thorough study of our governmental machinery for the conduct of foreign affairs. With respect to the organization of the Department of State, the Commission's recommendations generally embody and endorse the organizational plans formulated by the Department. With my approval, the Secretary of State is now proceeding to put these plans into effect.

In order fully to carry out this reorganization, two changes in the statutes governing the Department are required. First, additional positions of Assistant Secretary of State should be created to permit the Department to organize its principal activities on a geographic basis and, at the same time, to maintain its requisite relationships with the Congress, and with the other Executive agencies and the international organizations. Second, certain powers vested by the Foreign Service Act of 1946 in subordinate officials should be placed in the Secretary, subject to his delegation. This action is needed to provide the Secretary with authority commensurate with his responsibilities, and further to apply the principle, strongly recommended by the Commission on Organization of the Executive Branch of the Government, of clarifying the lines of responsibility and authority within the Executive Branch.

Early action on these measures is desirable to strengthen this Government's resources for achieving its international objectives.

The suggestions of the Commission with regard to the personnel management of the Department of State and the Foreign Service will require additional study before recommendations can be submitted to the Congress.

HARRY S. TRUMAN

NOTE: On May 26, 1949, the President signed a bill "to strengthen and improve the organization and administration of the Department of State, and for other purposes" (63 Stat. 111).

The recommendations of the Commission on Organization of the Executive Branch of the Government (Hoover Commission) relating to the Department of State are contained in a report entitled "Foreign Affairs," released in February 1949 (Government Printing Office: 1949, 77 pp.).

48 Memorandum on Civil Defense Planning. *March* 4, 1949

[Released March 4, 1949. Dated March 3, 1949]

Memorandum to the Chairman, National Security Resources Board:

I have recently given considerable attention to the question of the appropriate organization of the executive branch for civil defense.

Under present conditions the essential need of the Federal Government in the area of civil defense is peacetime planning and preparation for civil defense in the event of war, rather than operation of a full-scale civil defense program. Therefore, I see no need to establish at this time a permanent organization, such as a proposed Office of Civil Defense. Rather, I see a definite necessity to continue planning for civil defense and an immediate need to fix in a responsible agency definite leadership for such planning.

Since peacetime civil defense planning is related to, and a part of, overall mobilization planning of the Nation in peacetime, I have concluded that the National Security Resources Board, which is charged with advising me concerning the coordination of such overall mobilization planning, is the appropriate agency which should also exercise leadership in civil defense planning.

I would like, therefore, for the Board to assume such leadership in civil defense planning and to develop a program which will be adequate for the Nation's needs. In doing so, the Board will undoubtedly find it necessary and advisable to call upon the other agencies of the Government and to consult with representatives of the States and local governments in developing the detailed planning for air raid warning, disaster relief, and all the other aspects of civil defense for which they are most appropriately qualified. As a result of the Board's considered analysis of how best to undertake this responsibility, I would like the Board's recommendations concerning necessary actions, including any legislative proposals which may need early attention.

I am sending a copy of this memorandum to the Secretary of Defense so that he may be informed concerning the conclusions contained herein.

HARRY S. TRUMAN

49 Remarks to Representatives of the American Legion. *March* 4, 1949

I AM GLAD to meet all of you this morning, and I am glad to know what you are trying to do. I think you are on the right track. The thing that pleases me most is that I don't see so many bald pates and gray heads as I had expected to see. I want to see the young ones take over this thing and operate it. It's time for us old "fuds" to begin to go, and let the next generation come into its own. That is true of Government, also.

This organization to which you belong is one of the pillars of the Government of the United States, and I am proud to have been a member of it ever since it was organized back in 1918. I have been actively

engaged in a great many of the things that you gentlemen are doing now. I have other duties now—don't have the time to devote to this organization that I used to have. But I still remember with pleasure my association with the members of the Legion, and I am glad you found the opportunity to come in, and I am glad to see all of you, and I hope you are successful in the undertakings which you are working on now.

You must remember that the Government is yours. In the next 40 years the 18 million servicemen and women will be responsible for the service of this Government, and you must always bear that in mind, that the strength of your Government depends on the proper approach of its citizens. It is your Government. I am here because you put me here, because you voted for me and reelected me. That is true of the Congress, the House and Senate, and that is true also locally. When you have bad ones, nobody is to blame for them but the taxpayers and the voters themselves, if they don't look after their own interests. You must bear that in mind, because the Government is just as much yours as it is mine.

I am in the executive position, attempting to run the executive branch of the Government. And in order to do that successfully, I must have the backing of people such as you, and organizations such as the one that you belong to. And I think I have that.

I am glad you came. I appreciate your interest in what is taking place in the Government.

NOTE: The President spoke at 11:30 a.m. in the White House to members of the American Legion Rehabilitation Commission. The group was meeting in Washington to formulate proposals to be placed before the general body of the organization at its annual convention to be held in August.

During the meeting the Commission called for "immediate and complete" restoration of the veterans hospital construction program. It opposed the proposal that all Federal hospital services be merged—a proposal made by the Commission on Organization of the Executive Branch of the Government, headed by former President Herbert Hoover.

50 Special Message to the Congress on Reorganization of the National Military Establishment. *March* 5, 1949

To the Congress of the United States:

The maintenance of adequate armed forces has been one of the principal functions of the Federal Government since the establishment of this Nation. Today we maintain our armed forces in support of our primary desire for world peace. They are evidence of our determination to devote our utmost efforts toward achieving that all-important goal.

Throughout our history, the steady advance of science and technology has resulted in constant changes in the means of warfare and the character of our armed forces. In the few years since the cessation of hostilities in World War II, tremendous developments in technology have been made. The speed of aircraft has doubled, the means of undersea warfare have been revolutionized, the range and accuracy of guided missiles have increased, the potentialities of the atom have been more fully revealed.

The development of man's ability to shrink space and time and to control natural forces makes imperative a corresponding development of the means for directing and controlling these new powers. The effective and workable organization of our Government, and especially of our armed forces, is essential in the modern world.

The recent reports of the Commission on

Organization of the Executive Branch of the Government have focused attention on the importance of the sound organization of the Federal Government. The Commission has stated that the first essential to the achievement of better government is a general clarification of the lines of authority and responsibility within the Executive Branch. In its report entitled "National Security Organization," the Commission has specifically applied this principle to the organization of our armed forces. The report states that we now lack adequate civilian authority and control over the military forces, that maximum efficiency and economy is not being realized in defense expenditures, and that interservice relationships must be improved to achieve the most effective defense. The recommendations of the Commission which would strengthen the National Military Establishment and the position of the Secretary of Defense have great merit and present an objective toward which I believe we must continue to move.

I have long been aware of the necessity for keeping our national security organization abreast of our security requirements. To this end, I recommended unification of the armed forces to the Congress in December, 1945. My desire was to improve our defense organization while the lessons of World War II were still fresh in the minds of all. We must not forget these lessons in evaluating our security position today.

A great deal was learned from those four years of war. We learned, among other things, that the organization of our War and Navy Departments, prescribed by detailed statutes, was far too rigid and inflexible for the actual conduct of war. We learned that modern war required the combined use of air, naval, and land forces welded together under unified commands overseas, and under the strategic direction of the Joint Chiefs of Staff.

Other lessons were also learned. We learned that widely diverse supply policies of the separate services were costly, and hampered the total effectiveness of military operations. We learned that there were great differences in training and combat doctrine among the services, and that these differences often provoked sharp conflicts in our theaters of operation.

My message to the Congress of December, 1945 had a double purpose. It was intended to take advantage of our wartime experience and to prevent a return to the outmoded forms of organization which existed at the outbreak of the war.

Following that message, the subject of the proper organization of our armed forces was debated throughout the Nation. After the most careful consideration, the National Security Act was enacted by the Congress in July, 1947.

This Act has provided a practical and workable basis for beginning the unification of the military services and for coordinating military policy with foreign and economic policy. A few examples of the progress achieved in the period since the Act became effective are evidence of its value.

The efficiency of military purchasing has steadily increased until today more than 75 percent of the material of the armed services is procured under coordinated purchasing arrangements.

A number of joint training and education programs have been instituted so that the personnel of each service may gain a greater understanding of the weapons and doctrine of the other services.

A uniform code of military justice has been developed, designed to be applicable to the personnel of all the armed forces. This

code is now before the Congress for its consideration.

The coordination of military policy with foreign and economic policies has been greatly improved, principally through the efforts of the National Security Council and the National Security Resources Board.

The past eighteen months have dispelled any doubt that unification of the armed forces can yield great advantages to the Nation. No one advocates a return to the outmoded organization of the days preceding the National Security Act. On the contrary, the issue today is not whether we should have unification, but how we can make it more effective.

We have now had sufficient experience under the Act to be able to identify and correct its weaknesses, without impairing the advantages we have obtained from its strength. We have also had the advantage of a thoroughgoing appraisal by the Commission on the Organization of the Executive Branch of the Government. On the basis of our experience to date, as further borne out by the Commission, we should now proceed to make the needed improvements in the Act.

The duties and responsibilities of the Secretary of Defense as now set forth in the Act are of too limited a character, and are restricted to specified items. For example, the Act expressly provides that all duties not specifically conferred upon the Secretary of Defense are to remain vested in the Secretaries of the Army, the Navy, and the Air Force. While the Secretary of Defense, as the head of the National Military Establishment, ought to be ultimately accountable, under the President, for its administration, he is specifically limited by this Act in the degree to which he may hold the military departments responsible to him. The departmental Secretaries are specifically authorized to deal directly with higher authority. Furthermore, many of the key responsibilities of the Secretary of Defense have been assigned by this statute, not to the Secretary, but to Boards and agencies which derive much of their authority from the military departments themselves.

In short, the Act fails to provide for a fully responsible official with authority adequate to meet his responsibility, whom the President and the Congress can hold accountable. The Act fails to provide the basis for an organization and a staff adequate to achieve the most efficient and economical defense program and to attain effective and informed civilian control.

I, therefore, recommend that the National Security Act be amended to accomplish two basic purposes: first, to convert the National Military Establishment into an Executive Department of the Government, to be known as the Department of Defense; and, second, to provide the Secretary of Defense with appropriate responsibility and authority, and with civilian and military assistance adequate to fulfill his enlarged responsibility.

Within the new Department of Defense, I recommend that the Departments of the Army, the Navy and the Air Force be designated as military departments. The responsibility of the Secretary of Defense for exercising direction, authority, and control over the affairs of the Department of Defense should be made clear. Furthermore, the present limitations and restrictions which are inappropriate to his status as head of an Executive Department should be removed. The Secretary of Defense should be the sole representative of the Department of Defense on the National Security Council.

I am not recommending the blanket transfer of all statutory authority applicable to the

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Departments of the Army, the Navy and the Air Force to the Secretary of Defense. Neither am I recommending any change in the statutory assignment of combatant functions to the Army, Navy and Air Force. I recommend, however, that the Secretaries of the Army, the Navy and the Air Force administer the respective military departments under the authority, direction, and control of the Secretary of Defense.

To meet these additional responsibilities, the Secretary of Defense needs strengthened civilian and military assistance. This can be provided by the creation of new posts and by the conversion of existing agencies of the National Military Establishment into staff units for the Secretary. I recommend that Congress provide an Under Secretary of Defense and three Assistant Secretaries of Defense.

The duties now placed by statute in the Munitions Board and the Research and Development Board should be recognized as responsibilities of the Secretary of Defense. The Act should be amended to make possible the flexible use of both of these agencies, and of the Joint Chiefs of Staff, as staff units for the Secretary of Defense. Finally, I recommend that the Congress provide for a Chairman of the Joint Chiefs of Staff, to be nominated by the President and confirmed by the Senate, to take precedence over all other military personnel, and to be the principal military adviser to the President and the Secretary of Defense, and to perform such other duties as they may prescribe.

In my judgment, these changes will make possible effective organization and management of the Department of Defense. They will provide a responsible official at its head, with strengthened civilian and military assistance, to undertake the immense job of aiding the President and the Congress in determining defense needs and in supervising the administration of our defense activities. These measures are essential to continued and accelerated progress toward unification. I am convinced that only through making steady progress toward this goal can we be assured of serving our major objectives, the most effective organization of our armed forces, a full return on our defense dollar, and strengthened civilian control.

I urge the Congress to give prompt consideration to these recommendations. From the standpoint of present and potential cost to the Nation, there is no more important area in which to work for improved organization and operations. Action on these recommendations will prove beneficial to the Congress, the American people, and the President by providing better means of assuring defense needs and administering the defense program. We should seize this opportunity to strengthen our defense organization which is so vital to the security of this Nation and the peace of the world.

HARRY S. TRUMAN

NOTE: For the President's statement upon signing the National Security Act Amendments of 1949, see Item 177.

The report of the Commission on Organization of the Executive Branch of the Government, entitled "The National Security Organization," was published by the Government Printing Office (30 pp., 1949).

For the President's message to the Congress transmitting Reorganization Plan 8 of 1949: Department of Defense, see Item 158.

51 Address at Rollins College, Winter Park, Florida. *March* 8, 1949

Governor Warren, President Holt, distinguished educators, and all the friends of this great school:

This is for me a very happy and a very solemn occasion. The Governor's address was a masterpiece. It covers the situation with which we are faced. It brings to realization a hope that I have long entertained. I am deeply sensitive of the honor which this college has bestowed upon me.

Rollins College has served the State of Florida and the Nation faithfully and well through more than 3 score years. I shall always treasure the memory of this day and the parchment which admits me into the noble society of Rollins alumni. The men and women which this institution has given the world now for 60-odd years have upheld the ideals of democracy wherever they have found their life work.

It gives me special pleasure by my presence here today to bear witness to the debt which we owe to the man who has guided the destinies of Rollins College for almost a quarter of a century—Dr. Holt.

Since he assumed the presidency of this institution he has made it a focal point in our effort to educate American youth in principles of freedom under true democracy. You know, there is not a word in the English language that has been so severely abused during the last 10 years as that word democracy. Some people make a travesty of that word. That is one of the greatest words in the history of the English language, and it should stand for just exactly what we mean when we say democracy, and not for a counterfeit.

Dr. Holt has brought to his work distinguished leadership with a background of accomplishment in many fields. Although he will soon retire from active academic work, he will continue his labors for peace and international good will.

Never before has this country needed as it does today the leadership of thoroughly trained men and women. We must have leaders inspired from their earliest years with the ideals of true democracy.

Education is our first line of defense. In the conflict of principle and policy which divides the world today, America's hope—our hope—the hope of the world, is in education. Through education alone can we combat the tenets of communism. The unfettered soul of free man offers a spiritual defense unconquered and unconquerable.

We may not know what is behind the Iron Curtain, but we do know that the intelligence of the people in the embattled democracies of Europe, who live in front of the Iron Curtain, is the world's best hope for peace today.

Education is the most important task before us. The Congress should enact legislation authorizing Federal grants to the States to assist in meeting the operating expenses of elementary and secondary schools. There is general agreement that such aid can be given without interference with State responsibility for the scope and content of the teaching.

If our country is to retain its freedom in a world of conflicting political philosophies, we must take steps to assure that every American youth shall receive the highest level of training by which he can profit.

A soundly conceived Federal scholarship program in our colleges and universities is a necessary step in attaining this goal.

Education has been defined as a bulwark against the acids of fascism and communism.

Neither of these totalitarian forms of government can survive examination by educated men and women—men and women free to search for the truth and imbued with the principles of liberty set forth in the preamble to the Constitution of the United States—the greatest document of government, in my opinion, that has ever been written by the hand of man. That Constitution gives us the ability to live together in peace. It gives us the ability to see that justice comes to every man, be he big or be he small, be he rich or be he poor.

If this great institution will continue to turn out leaders, I am not at all afraid of what the next generation in the world will bring forth.

We are working for peace. We want peace. We pray for peace all the time in the world. And to attain that peace, we must all learn how to live together peaceably, and do to our neighbors as we would have our neighbors do to us. Then we will have a happy world, and that's what we want.

NOTE: The President spoke at 12:25 p.m. in the Chapel at Rollins College, at a special convocation held in his honor. In his opening words the President referred to Fuller Warren, Governor of Florida, and Dr. Hamilton Holt, president of Rollins College.

Shortly before the President spoke he received the institution's degree of Doctor of Humanities.

52 The President's News Conference at Key West. *March* 18, 1949

THE PRESIDENT. [1.] Sit down, gentlemen, please.

I am having the usual vacation press conference, and there is no significance in it whatever, although I have seen all the questions and all the answers in the Miami papers, and the local paper. I haven't had a chance to read the Washington papers much since I have been down here, but I thought due to the fact that most of the questions have been asked and carefully answered, that maybe there wouldn't be many questions from you this morning. Of course, any prognostications may be in the same line with those of September and October last year, but we can tell about that a little later.

Q. You wouldn't say those answers were correct then, Mr. President?

THE PRESIDENT. The answers will answer themselves at a later date. You have to depend on those because you made them yourself. No—I just thought we would have the usual vacation press conference, and I will be glad to answer any questions I can, as I always do, and I am ready for questions.

[2.] Q. Mr. President, have you given any more thought to a train ride?

THE PRESIDENT. I made the announcement of the train ride, if you remember, on the 24th of February, and no details have as yet been worked out. You will be notified in plenty of time to get your trunk packed.[1]

Q. But you are planning to take one——

THE PRESIDENT. I am not making any statement on the subject. There is no further statement than the one that was made on the 24th of February. Can you all hear?

Voices: No. No, sir.

THE PRESIDENT. Well, I said there were no further plans than those announced on the 24th of February.

[1] During the course of his address at the Jefferson-Jackson Day dinner on February 24 (Item 39) the President said, "I may even get on the train again and make another tour around the country. If I get on that train, I am going to tell the people how their Government is getting on. And I know how to tell them."

Q. Mr. President, your February 24th remarks on that point, though, were on the announcement were they, or plans?

THE PRESIDENT. Not necessarily.

Good morning, Mr. Davis.[2] I was over to see you yesterday, but you weren't in.

Mr. Davis: I was hiding behind some sun glasses.

THE PRESIDENT. Were you? I didn't see you. I'm sorry.

[3.] Q. Mr. President, is there anything you would care to say about the action of the Senate Armed Services Committee on Mon Wallgren's nomination?

THE PRESIDENT. No comment on that.

[4.] Q. Mr. President, in view of what is going on in the Senate now, do you still hope to get your civil rights legislation through at this session?

THE PRESIDENT. Well, I can tell you more about that at a later date. I can't comment on it now, because the matter hasn't reached the conclusion.

[5.] Q. Mr. President, do you think that the events of the last week indicate that we now have a three party system?

THE PRESIDENT. Well, it might be construed that way. We had a three party system in the last campaign.

Q. There was some hope that some of them might have seen the light immediately after election.

THE PRESIDENT. I still have that hope. I think most of them are fundamentally all right. Sometimes they get excited. And you must remember that this is a new Congress, that it had some difficulty in getting adjusted, on account of the fact that there had to be an inauguration ceremony 3 weeks after they met, and they are just practically a month behind in getting started. I think we ought to give the Congress a chance to act, before we comment on what they may do. Nobody knows.

[6.] Q. Mr. President, Senator Morse of Oregon in this morning's paper has said that the Senate Democrats and Republicans had agreed on not passing but one civil rights bill—that is, with a new poll tax bill. Would you care to comment on that?

THE PRESIDENT. No comment. He is in the Congress and I am not. I only advise the Congress on what I think is good for the country. Then they agree as they see fit. We have three independent prongs to the Government of the United States—executive, legislative, and judicial. And neither of the others ought to interfere with the duties of the other two.

Q. Mr. President, a Member of Congress, identified as a spokesman for the Republicans, said with something of good cheer that a good many Democrats seem to see eye to eye with Republicans in the Congress.

THE PRESIDENT. Hasn't that always been the case? It has ever since I have been in the Congress. I don't think that's anything new.

[7.] Q. Would you mind identifying the three parties that you refer to?

THE PRESIDENT. Republicans, Democrats, and Dixiecrats. I don't see why you have to have that identified for you.

[8.] Q. Mr. President, there was a report out of Washington the other day saying the Democratic leaders in Congress had recommended a special session in the summer time on civil rights. Have they made a recommendation to you——

THE PRESIDENT. I have heard nothing about it, but I think it is a little early to talk about a special session, when the regular session hasn't really got started yet.

[9.] Q. Mr. President, by calling these—naming these three parties, do you imply that the people you refer to as Dixiecrats you

[2] Elmer Davis of the American Broadcasting Company.

do not regard as good Democrats?

THE PRESIDENT. Of course they are not. Of course they are not good Democrats.

Q. What has happened to the progressives?

THE PRESIDENT. Ask Bob LaFollette. He buried them.

[10.] Q. Mr. President, in view of the several events in both Senate and House in the past week, do you regard those acts that have opposed your policies as being a ground swell against your program in its entirety?

THE PRESIDENT. No, I think it has no significance in that regard at all.

[11.] Q. Mr. President, is the rent control bill in its present form agreeable to you?

THE PRESIDENT. I never comment on legislation that is not before me on the desk, and that hasn't been passed by the Congress as yet.

Q. It's a little bit at variance with your recommendations, sir?

THE PRESIDENT. Well, that's a matter for argument. It hasn't come up to me yet.

[12.] Q. Mr. President, could you give us any idea what your plans are upon your return, beginning early next week? Will you meet with——

THE PRESIDENT. Yes, I will tell you exactly what my plans are. On tomorrow night I think I have to appear at a White House Photographers' dinner. On Monday morning I shall have a session with the "Big Four" as usual, and probably a conference with the Cabinet during the day—not a regular Cabinet meeting but a conference. And for the rest of the week I will probably be signing documents and seeing those people who are interested in talking to the President on matters that are now pending before the Congress. It will be the usual week's work. Probably doubled up a little bit.

[13.] Q. Mr. President, could we sum up—could we say you are still hopeful that the major part of your fair deal program will get through?

THE PRESIDENT. The program has been sent to the Congress, and the action of the Congress we can only anticipate and comment on—we can only anticipate the action of the Congress, and I can't comment on it until the Congress is finished.

Q. I was just thinking of your hopes.

THE PRESIDENT. I sent my message to the Congress which conveyed exactly what I hoped to accomplish. Hasn't changed any. I think we are going to accomplish the program.

[14.] Q. How is your personal battle coming along with your waistline?

THE PRESIDENT. Wonderfully well—wonderfully well. Wonderfully well. I am holding my own.

Q. Holding your own?

Q. What do you weigh now, sir?

THE PRESIDENT. 176—bedside weight. [*Laughter*]

[15.] Q. Mr. President, among those plans for next week, do you by any chance plan to send any new message to the Congress?

THE PRESIDENT. Not that I know of at the present time. I have been in touch with the leaders in Congress all the time since I have been down here. They call this a vacation. It's just a change of scenery with the usual amount of work. Of course, I don't have the appointments and the people coming to see me every day as I do when I am in the White House. That's the only difference. There isn't any difference as far as the work of the President is concerned. I sign just as many documents and read just as many records and carry on the business of the Government as usual. It's only a change

of scenery and getting a little sunlight. I understand it's very cold in Washington—snowed up there the other day.

[16.] Q. Mr. President, Mr. Jacobson [3] left for Israel yesterday, and there is a report out of New York that he was going on a special mission. I know he had been intending to go for some time on a personal visit. He is supposed to have carried some letter from you.

THE PRESIDENT. I don't know about it. I didn't even know he was going.

Q. What was that?

THE PRESIDENT. Ed Jacobson.

[17.] Q. Do you plan to attend a dinner with Winston Churchill at the British Embassy on the 24th of this month?

THE PRESIDENT. Mr. Winston Churchill is coming down to Washington to have lunch—dinner with me. It hasn't been arranged, so I don't know anything about any social affairs at the British Embassy.

Q. Got a wire saying so.

THE PRESIDENT. I didn't know anything about it.

Q. You said he will have lunch or dinner?

THE PRESIDENT. Lunch or dinner with me.

Q. Has that date been set?

THE PRESIDENT. Hasn't been set definitely, no.

Q. Has he ever seen Key West, sir? Could you stay and get him to come down here?

THE PRESIDENT. He stopped somewhere up north of here, in a private house, I think, and did some painting. But I don't think he has ever been to Key West, I am sorry to say. I think if he would ever come here, he wouldn't leave. I hate to leave. I have tried to find some excuse to stay over another week, but I can't postpone that Photographers' dinner very well.

Q. Could the local radio station quote you as saying you are returning to Washington with a feeling of resignation, after leaving the sunshine of Key West?

THE PRESIDENT. Well, I think that expresses it pretty well. [*Laughter*]

Q. Sounds like you are coming down before long?

THE PRESIDENT. Well, we'll have to wait and see about that.

Q. It's swell down here in the summertime, too.

THE PRESIDENT. So I have been told——

Q. You ought to try it.

THE PRESIDENT. ——but I have never felt like risking it.

Q. It never gets over 93—guaranteed.

THE PRESIDENT. That's what they say about Washington, but sometimes it does.

[18.] Mr. Ross: You might say that this is a regular White House press conference and the regular rules apply.

THE PRESIDENT. You tell them.

Mr. Ross: This is a regular White House conference, and the same rules apply that always apply in the White House as to quotes.

THE PRESIDENT. The President's remarks are supposed to be paraphrased, not quoted directly.

Q. All right.

THE PRESIDENT. I thought everybody knew. But Charlie wanted to be sure, and he is right.

Q. It looks like we have about worn ourselves out, Mr. President?

THE PRESIDENT. Well, you haven't worn me out by any means, and I have been on the receiving end. [*Laughter*]

Reporter: So I will have to say, thank you, Mr. President.

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[3] Edward Jacobson was a military associate of Mr. Truman's during World War I, and subsequently went into partnership with him in the haberdashery business in Kansas City, Mo. The partnership lasted from 1919 until 1922.

THE PRESIDENT. All right. [*Laughter*] I hope you have all had a good vacation.

Q. Yes, sir!

Q. Wonderful!

THE PRESIDENT. I wish I could have been at that party last night. It kept me awake until 2 o'clock.

Q. It kept us awake a little later, Mr. President.

THE PRESIDENT. You see, I sleep up here on the northeast corner, and I had to get up and shut the windows.

Q. We didn't realize we were making any noise.

THE PRESIDENT. I say it must have been a grand party. I am glad you are all having a good time.

Q. We have, Mr. President.

THE PRESIDENT. I am awfully happy that you are having a good time.

NOTE: President Truman's one hundred and seventy-second news conference was held on the lawn of the Little White House at Key West, Fla., at 9:30 a.m. on Friday, March 18, 1949.

53 Remarks at the Graduation Ceremonies, Fleet Sonar School, U.S. Naval Base, Key West, Florida. *March* 18, 1949

IT IS a very great pleasure for me today to present these diplomas to these young men who have spent some time becoming experts in their lines. They are getting an education that will be of untold value to the country in case of emergency.

The Navy now not only has the surface of the sea to look after, but the air over it, and the water beneath. These young men have been making studies in their special line of work that will be of untold value to the country in the future, and may be a contributing factor to the peace of the world.

I am very happy, due to the fact that I am here on vacation, to present these diplomas to these able and distinguished young men from Maine to California, literally.

NOTE: The President spoke at 2:45 p.m.

54 Address Before the United States Conference of Mayors. *March* 21, 1949

Mr. Chairman, and members of the mayors conference:

I feel very much at home before this Conference of Mayors.

One reason is that I remember the hospitality and the courtesy that so many of you showed me on my recent tours around the country.

I greatly enjoyed visiting your cities and talking with your citizens. I hope that someday I shall be able to visit you again in your hometowns and cities, and visit some that I missed last fall. I don't miss very many.

Another reason for feeling at home here is that you are a group of elected executives. As an elected executive myself, I know something about the problems you face. Some of you are responsible to electorates larger than the total population of the United States in Washington's time. And the duties with which you are charged seem to increase almost as fast as the population—which is just the way it is at the White House.

As our modern civilization requires people to live and work together in larger and larger groups, cities take on more and more importance—and city governments face greater responsibilities. In many respects, we have failed to adjust our thinking to the increased importance of our cities in political and economic affairs.

It is a mistake to act as if the cities were inferior administrative subdivisions. It is a very serious mistake—because for most of our population, city government is the form of democratic self-government which is closest to the people.

In this country democracy is not a slogan—nor is it a propaganda smokescreen. It is a practice, a way of doing things. It is a method of adjusting the differences that arise between people in their daily lives in accordance with the principles of mutual tolerance and brotherly love.

The more closely people are brought together—the more they rub elbows—the more necessary it is for them to regulate their affairs on a democratic basis. In meeting this need through local self-government, our cities are among our most important democratic institutions.

As usual, there is an exception to the rule, and the exception in this case is the city you are meeting in today, the city of Washington, D.C. I hope that the Congress will soon give the District real self-government and make it, like our other cities, a local democracy.

In foreign countries, as well as in the United States, cities show their essentially democratic nature. I am glad to see that the Conference of Mayors maintains strong bonds of friendship with the cities of other nations. Out of the understanding which you are creating among the cities of the world, will come added strength for the cause of peace.

I extend greetings to your honored guests who are here from other countries: the mayors from Canada are such old friends that we almost forget that they come from another country. To the mayors who are here from Europe, the people of the United States of America express their admiration.

They and their cities have given us a wonderful example of the vitality of democracy. In many parts of Europe the cities have been invaded, fought over, and in many cases reduced to rubble. But the spirit of democracy has survived in the ruins. And the cities have been born again.

Mayor Stokke of Oslo can tell you of the brave spirit of the people of Norway who today, as in the past, give proof that they will never surrender democracy for tyranny. Senator Vinck can tell you of the vigorous democracy of the cities of Belgium. And from Dr. Reuter, Lord Mayor of Berlin, you may hear one of the most inspiring stories of our time. The people of Berlin, after years under the rule of Nazi criminals, with their city in ruins, have dedicated themselves anew to the practice of democracy in the very teeth of totalitarian dictatorship. The courage they are displaying in their beleaguered outpost is proof to the world of the strength of the democratic spirit.

Here at home our citizens face less terrible problems. But if America is to fulfill its promises, our cities must be healthful, beautiful, and pleasant places in which to live and to work. We have been making real progress toward achieving these standards. But much remains to be done.

One of the biggest problems facing us today is that of housing.

It has been obvious ever since the end of the war that we have needed bold and large-scale action on housing. I have repeatedly recommended such action. In particular, we have needed a fresh start in the construc-

tion of rental housing for low-income groups, in the clearance of slums, and in research to reduce building costs.

The cities have long favored such a program. In fact, nearly everybody has favored it except the real estate lobby, which has managed to delay it year after year. Every year of delay has increased the need for the program and the size of the job we must do.

I believe that the end of this long and unnecessary struggle is in sight, and that this year will see the enactment of satisfactory housing legislation.

In fact, I believe that this year will see the enactment of a great deal of legislation for the good of the people.

Incidentally, I have been much interested in the attempts of the usual troublemakers to make it appear that there is bad feeling between the 81st Congress and the President of the United States. It seems that whenever I make a recommendation to the Congress, many newspapers and columnists set up a howl about the President trying to dictate to the Congress. And then if the Congress makes any decision that varies at all from my recommendations, these very same troublemakers start a gleeful chorus about how the Congress has thrown the whole Democratic program overboard. It's a wonderful country we live in!

Of course, I differ with the actions of the Congress on some points, and where these differences are important I shall continue to urge the course which I think is right. But basically the Congress and the President are working together and will continue to work together for the good of the whole country. We are going to agree on a lot more things than we disagree on. And when the final score for this Congress is added up, some of the selfish pressure groups are going to be pretty badly disappointed.

As I have already indicated, one of the things we can expect this Congress to do is to pass a good housing bill.

I am told that one of the treasured possessions of your organization is a pen with which President Roosevelt signed the United States Housing Act of 1937. Right now I will make you a little promise. I promise to give you the pen with which I sign the Housing Act of 1949, when it is passed. In this way we can mark another milestone in the program of cooperation between the cities and the Federal Government which was begun under President Roosevelt.

You all realize, of course, that the passage of such legislation will give to your cities the tremendous task of planning and carrying out slum clearance and public housing projects. The Federal Government will be limited to providing financial and technical assistance. I am confident that the city governments will meet their responsibilities under this law and make the program a success.

But I hope you will go even further. For the cities can do much to encourage private building, at lower cost.

For example, cities should continue their efforts to modernize their building codes. In too many cases existing building codes are an obstacle to the use of new methods and materials and to the spread of prefabricated housing. Prefabricated housing is still an industry in its infancy. It can grow much faster, produce more and better housing at lower cost, if codes are modernized and the conflicts and differences between them are ironed out.

We cannot discuss the housing shortage without mentioning rent control. I know that you will agree with me on the necessity of maintaining rent control in those areas where there are still serious shortages and few vacancies.

The lobbyists who have been fighting low-rent housing and slum clearance have been trying to destroy rent control. They don't want us to build new low-rent houses, they don't want us to hold down the rents of houses that are available. If we let them have their way, they would not only have pushed the whole cost of living up another 10 or 20 percent, but they would have broken up the homes of thousands of low-income families. It is a terrible and shocking thing that the real estate lobby—which pretends to speak for those whose business is providing houses—has become the real enemy of the American home.

During recent weeks the real estate lobby has made a concerted effort to have rent control turned over to the cities and localities. I have no doubt that the elected officials of city and local governments in most large city areas are as strongly in favor of effective rent control as I am. They know that their problems of overcrowding, relief to the needy, crime and juvenile delinquency, would be greatly increased if rent controls were removed now. The point is, however, that most cities have neither the legal authority nor the financial resources to carry out a successful program of rent control. The real estate lobby knows this perfectly well. It wants us to turn rent control over to local authority—not in order to strengthen local authority, but in order to destroy rent control.

Another very serious matter facing our cities is the fundamental problem of finances.

Many cities are paying now—in crime, in disease, and in blighted areas—for the haphazard way their land has been developed. Whole areas now need to be cleared out and put to good uses; utilities need to be improved and rearranged; schools and public buildings need to be rebuilt; and future expansion must be properly guided in the interest of the whole community. You all know how necessary, and yet how slow and expensive, this job is. Many cities today have inadequate financial resources to achieve the large-scale improvements that are required.

Here is a problem at the very core of American life. A solution is required not only in the interest of the cities, but also in the interest of the State and Federal governments.

One of the most important first steps is to bring some order out of the tangle among cities, States, and the Federal Government in the field of taxation and financial relations. This question has, I know, been high on your agenda for many years. In the near future, the Secretary of the Treasury is inviting representatives of State and local officials to meet with him and other Federal officials in a preliminary conference to work toward a program for action in this field.

I have asked the Secretary of the Treasury to report to me on the progress of this work. I hope that we can work out some guides not only for Federal policy with regard to taxation and related matters but also for the policy of the States and localities. In these matters, as in so many others, the three types of government—Federal, State, and local—must act together in a spirit of cooperation for the common good.

The financial health of the cities, however, is more than a matter of tax policy. Cities can be financially sound only if the general economic health of the Nation is sound.

Many of you know this from first hand experience. This organization of yours was formed to meet the crisis of the great depression, when the cities were told by the national administration then in office that they must provide for the unemployed out of their local resources. We have since

grown to understand that unemployment is a national as well as a local problem, but we still have far to go in perfecting the democratic instruments by which we can maintain high employment and insure a progressively growing economy.

In this connection, I hope that you are all familiar with the proposals I have recently made to the Congress for helping us achieve economic stability. I hope that you will acquaint yourselves with the facts of the case, and not just read the propaganda. I am sure that you will find that those proposals are no more radical than the concept of preventive medicine. In the old days, we used to concentrate on curing the sick. But now, as you mayors know, we rely increasingly on public health and sanitation measures to prevent disease. In the same way, we are moving from the idea of curing depressions after they happen to the concept of preventing them. That is what my proposals are intended to do.

The spirit of democracy is to find new ways of doing things for the common good. A few years ago it used to be popular to talk about closing the western frontier in this country, as if that meant we had come to the end of our growth and change. We know now that nothing could be further from the truth. We have bigger frontiers ahead of us now—greater possibilities for democratic growth—than we have ever had. To find practical, realistic ways to afford a better life for our people is the great challenge which faces our Federal, our State, and our city governments.

I am sure that the Conference of Mayors will continue to lead the way in achieving greater prosperity and greater freedom for all through the confident and progressive practice of democracy as we know it.

NOTE: The President spoke at 11:30 a.m. at the Statler Hotel in Washington. His opening words "Mr. Chairman" referred to Mayor George W. Welsh of Grand Rapids, Mich., president of the United States Conference of Mayors. Later in his remarks the President referred to Mayor Halfdan E. Stokke of Oslo, Senator Vinck of Brussels, and Mayor Ernst Reuter of Berlin.

On April 21 and 22 Secretary of the Treasury Snyder called a meeting of the heads of the principal State and municipal organizations to discuss taxation problems of mutual concern. The conference "Summary of Proceedings" (20 pp.) was not published.

55 Address Before the President's Conference on Industrial Safety. *March* 23, 1949

Secretary Tobin, ladies and gentlemen:

I am very glad to welcome you here today to this conference on industrial safety. You are meeting in the interest of one of the highest purposes of mankind—to save human lives. Your presence indicates your firm resolve—which I share—to reduce the present tragic toll of 2 million injuries a year in industry.

You are meeting to consider a long-range cooperative program of action to improve industrial safety. The program has been worked out during the past few months by some 500 persons from industry, labor, State and Federal governments, insurance companies, and private safety organizations. These men and women have given generously of their time. I believe you will find their work good, and the program they have developed a sound and practical one.

I hope you will perfect this program in the next few days. I hope that you will accept it and that you will put it into practice in every workplace in the country. Your

committees have shown how this job can be done. They have pointed out the practical steps that the organizations you represent can take to apply tested safety measures throughout American industry. When you accept this program, it will be a challenge to each of you personally to see that action results.

I am sure that action will result from this conference—the same kind of action we have been getting from highway safety and fire prevention conferences. Since we started the highway safety conference nearly 3 years ago, we have been making steady progress toward reducing highway accidents, because the people most directly concerned are working hard to put the program into practice. We should make even greater progress in reducing industrial injuries, because it ought to be easier to educate management and workers in industry than it is to educate drivers on the road.

The job of reducing industrial accidents is primarily a job for employers and workers. They are the men and women who bear directly the cost and suffering of unnecessary accidents. When businessmen understand how expensive it is to lose production time as a result of accidents, they will be prepared to make the small investment in equipment, in training, and in supervision that a safety program requires. When workingmen and women understand the loss of wages and the human suffering that result from work injuries, they will be prepared to cooperate in developing such programs and in observing safety rules.

All of you here can play an important part in achieving better safety practices. Those of you from business and labor groups should consider yourselves as ambassadors of safety with employers and labor unions.

Insofar as government action is concerned, the State governments have the principal responsibility for helping to make workplaces safe. For that reason I wrote personally to every Governor inviting him to attend this conference or to send his designated representative. I hope the chief executive of each State will take a personal interest in the success of this industrial safety program.

Many of the States have already made remarkable progress. I am informed, for example, that the industrial safety program of the State of Rhode Island has resulted in 36 percent reduction in industrial accidents over the past 4 years. Suppose we could get that result in every State in the Union—and we can, if we try—wouldn't it be remarkable?

I promise you all the help that the Federal Government can give.

The role of the Federal Government, as I see it, is primarily to stimulate cooperation for safety and to encourage the use of the best methods and standards. Technicians from the Federal Government working through State agencies, can help to install safety programs in business establishments and help to solve the many technical problems involved.

In addition, I have recommended that the Congress authorize Federal grants to State labor agencies to strengthen their industrial safety activities. The Federal Government and the States spend many millions of dollars a year to rehabilitate injured workers. It is only common sense to do what we can to prevent injuries in the first place. So I hope very much that the Congress will approve this grant-in-aid program.

The plain fact is that our Nation cannot afford the needless loss of skilled workers if we are to produce for prosperity in this country and for peace abroad. That is why the work of this conference is of such vast importance.

In your work here this week, and in your even more important work later in the States and in thousands of workplaces throughout the Nation, I suggest that you should have a definite goal before you. We are now suffering 2 million job accidents a year. I propose that our first goal be to cut that in half by the end of the next 3 years.

Companies with good safety records have proved time and again that this can be done. Their safety records are no accident. They have come about because management accepted its responsibility for day to day leadership. They constructed safe buildings. They guarded their machinery and equipment. They planned production layouts to eliminate hazards. They trained supervisors and workers. In these cases, workers and their unions, too, accepted their responsibility as part of a cooperative program to achieve safe work practices.

What progressive management and labor groups have done in the past, others can do. As you know, the need is greatest in the smaller plants, where 70 percent of the accidents occur, and where the organized safety movement is weakest. We can and we must reduce accidents in small plants as well as in large ones.

I hope you will want to continue these conferences. They offer us a yardstick to measure progress. They can provide a clearinghouse for our common problems and experiences.

If you who are here today will roll up your sleeves and go to work, you can be well on the way to the goal of a million fewer work accidents each year by the time we meet in another national safety conference.

We stand today at the threshold of accomplishment. Our experience in accident prevention has shown us that we can reduce industrial injuries to a fraction of what they are now. The work of this conference will be to show us how to do it.

You who are here representing labor, employers, and the community, and all groups in our society, are together in this campaign to make working conditions safe and to eliminate industrial accidents. The injuries which people suffer in their daily occupations are the concern of all of us.

The common concern may seem perfectly natural to us, but it really offers remarkable proof of the success of what we call the democratic way of life.

In the early days of the industrial revolution, there was no such general concern for the safety and well-being of the people who did the work. Men and women, and even children, were exposed to terrible hazards in factories and mines. In those days, injuries and occupational disease were assumed to be a necessary part of industrial life. Men were thought of as tools, as instruments to be used, broken, and cast aside.

But now we have rejected that philosophy, and placed the value of human life above private profit.

There are other countries, however, in which this is not the case—even today. Those countries live under a totalitarian system where men are thought of as tools of the state. As a consequence, there is indifference to pain and human suffering. This is demonstrated most clearly in the slave labor camps where the bodies of men are deliberately destroyed by inhuman conditions of labor.

Under the democratic way of life, we protect the values of human life and human happiness against exploitation by individuals or by the state. In our democracy an injury to one is the concern of all of us.

This conference is an example to the peoples of the world of our common determina-

tion to put our ideals into practice, and to increase the measure of happiness that mankind can enjoy. I urge you to keep this high purpose in mind in your work, and I wish you every success in this conference, and every success after you go home.

NOTE: The President spoke at 11 a.m. in the Departmental Auditorium in Washington. His opening words referred to Maurice J. Tobin, Secretary of Labor.

The President's Conference on Industrial Safety was held in Washington, March 23–25, 1949. This was the first national conference on the problem of industrial safety. It was convened by Secretary Tobin following receipt of a letter from the President, dated April 23, 1948, calling his attention to the drain on productive manpower resulting from industrial accidents and requesting him to call a national conference of interested groups to develop a practical, nationwide program for reducing accidents.

"The Proceedings of the President's Conference on Industrial Safety" (Government Printing Office: 1949, 362 pp.) contains committee reports as well as the conference proceedings.

56 Remarks at a Testimonial Dinner for Secretary Forrestal. *March* 23, 1949

THIS IS not a hard subject to discuss. I have known Mr. Forrestal ever since he came to Washington, and I have known him favorably and well. I knew him before he became Secretary of the Navy. He was Secretary of the Navy when I became President. He served as Secretary of the Navy and then as Secretary of Defense when that organization was instituted.

He has a record that I think not only he should be proud of—and I am sure he is—but all of us who have had any contacts with him know how well and thoroughly he has done every job which has been entrusted to his care.

Mr. Forrestal, when I became President, offered his resignation, as did all the other members of the Cabinet. I was successful in persuading him to stay, and ever since then at stated intervals he has been endeavoring to leave the Government service, as all Government men eventually want to leave the Government service, because it is a sacrifice to them to stay with it.

Eventually I had to accept his resignation for his own welfare, because he was making a tremendous sacrifice by staying on the job. I hope that he will have a most successful and happy career from now on. I have succeeded in getting an agreement out of him that in case of necessity he would come back and serve in whatever position the President at the time would see fit to ask him to serve.

I want to congratulate this organization for showing this mark of respect to the Secretary of Defense, and I am sincerely sorry that I couldn't be here for the whole evening, but I couldn't make it. I have, as you know, too much to do for one man, and in addition to that my daughter came home for the weekend today, and I stayed at home and had dinner with her. She is here for a certain meeting tomorrow evening with the former Prime Minister of Great Britain.

Jim, I want to congratulate you on a great public career. I hope I am as well thought of, when I go out of office, as you are.

NOTE: The President spoke at 9:30 p.m. in the Chinese Room of the Mayflower Hotel in Washington. For the President's letter accepting the resignation of James Forrestal as Secretary of Defense, see Item 46.

On May 22, 1949, Mr. Forrestal died at the Naval Hospital in Bethesda, Md. On the same day the President signed Proclamation 2840 (3 CFR, 1949–1953 Comp., p. 15) officially announcing the death

of Mr. Forrestal and ordering that the national flag be displayed at half-mast upon all public buildings and U.S. installations, until "after the funeral shall have taken place."

In referring to Mr. Forrestal the proclamation stated, "He exhausted his strength by his unremitting labors in the burdensome duties of these offices during the war and the critical years which have followed the end of hostilities. His tragic death came as a shock to his friends, and a great loss to the people of the United States, whom he had served so well and faithfully."

57 Statement by the President Upon Signing Resolution for the Relief of Palestine Refugees. *March* 24, 1949

IT IS with gratification that I have today signed Senate Joint Resolution 36 authorizing a special contribution by the United States of $16 million for the relief of Palestine refugees.

The United Nations General Assembly on November 19, 1948, urged all States members of the United Nations to make voluntary contributions as soon as possible to a relief fund totaling $32 million. The Secretary of State informs me that thus far 15 other members of the United Nations have contributed and that other governments have signified their intention to send money or contributions in kind. There is a pressing need for this fund, for 700,000 refugees are living almost on starvation level. It is the hope of the United States that very promptly the total $32 million fund will be subscribed by the members of the United Nations, or other countries, which have not yet given to the fund.

I trust that before this relief program is ended means will be devised for the permanent solution of the refugee problem, and that the efforts of the Palestine Conciliation Commission to establish a lasting peace will bring hope of a brighter future to these destitute victims of the recent hostilities in the Holy Land.

NOTE: As enacted, Senate Joint Resolution 36 is Public Law 25, 81st Congress (63 Stat. 16).

58 The President's News Conference of *March* 24, 1949

THE PRESIDENT. [1.] I have one announcement to make. I canceled two other speaking engagements, one in New York on the 10th, and the other in New York on the 23d. That cleans up the speaking engagements to date.

Q. Mr. President, just for our quick thinking, New York on the 10th is what?

THE PRESIDENT. Dedication of the U.N.—cornerstone laying of the United Nations Building.

Q. Yes. And the 23d?

THE PRESIDENT. On the 23d was Dr. Weizmann.

Q. The what?

THE PRESIDENT. Dr. Chaim Weizmann.[1]

Q. Mr. President, can you tell us the reasons?

THE PRESIDENT. Yes, the reason is very simple. I have been so thoroughly covered up with work since I came back from Florida that I am spending all my time try-

[1] President of Israel.

ing to get my desk cleaned up and have as many interviews as possible with Members of Congress who have been very anxious to see me on various subjects. So I shall spend most of my time working all the time—in fact from daylight until dark.

[2.] Q. Mr. President, I have a District of Columbia question I would like to get out of the way before the highbrows start on you.

THE PRESIDENT. All right. [*Laughter*]

Q. The District of Columbia is about several million dollars shy of its next year's budget. A sales tax was defeated in the House, and now a modified sales tax has been suggested. Senator McGrath proposes an $18 million grant. In view of those facts, have you anything to say about District of Columbia finances, or any suggestions?

THE PRESIDENT. No, I haven't, because I am not familiar enough with it to make any comments. I was once on the District Committee, but I didn't stay there very long, so I am not familiar with finances in the District, so I couldn't comment intelligently on it.

[3.] Q. Mr. President, who will take your place at the dedication of the U.N.?

THE PRESIDENT. I don't know.

[4.] Q. Mr. President, do you have any plans to attend the signing ceremonies for the Atlantic Treaty on April 4th?

THE PRESIDENT. Yes, I shall be present. That takes place here in Washington.

[5.] Q. Mr. President, you have seen Congressman Walter, chairman of the Democratic caucus, twice in the past day. Would you care to comment on those meetings?

THE PRESIDENT. I beg your pardon?

Q. You have had two meetings in the past day with Tad Walter, chairman of the Democratic caucus——

THE PRESIDENT. You out-count me one. I only saw him once.

Q. Only saw him once, I beg your pardon.

THE PRESIDENT. I spent 15 minutes with him discussing the displaced persons bill.

[6.] Q. Mr. President, this morning Ed Pauley was in. Did you discuss Mexican oil with him?

THE PRESIDENT. I discussed the political situation in California with him.

Q. How was it, Mr. President?

THE PRESIDENT. Very well—very bright.

[7.] Q. Mr. President, I have been asked to ask you if you have any idea of appointing Gordon Dean of San Diego to the Atomic Energy Commission?

THE PRESIDENT. Gordon Dean has been under consideration along with several other people.

[8.] Q. Mr. President, has Mon Wallgren asked that his name be withdrawn?

THE PRESIDENT. No, he has not.

Q. Do you expect him to?

THE PRESIDENT. I don't—I haven't talked to him on the subject at all.

[9.] Q. Mr. President, did Ed Pauley tell you that Jimmy Roosevelt is going to run for Governor out there?

THE PRESIDENT. No, he did not.

Q. Did he tell you who was going to run?

THE PRESIDENT. No, he did not. [*Laughter*] You might ask him.

Q. He bowed out.

Q. He was a little elusive.

THE PRESIDENT. Was he? He has had experience with you before. [*Laughter*]

Q. We got him coming in, but coming out was a different matter.

[10.] Q. Have you had a report yet from the State Department on the coordinated military aid program?

THE PRESIDENT. It isn't ready yet. It's in the works. It has been discussed on numerous occasions, but it isn't yet ready to present to me for final decision.

[11.] Q. Mr. President, can you tell us whether there is likely to be any statement on the China situation in the near future?

THE PRESIDENT. There will be no statement in the near future that I know of. No reason for it.

[12.] Q. Mr. President, have you got a statement from the Treasury yet on the prospective surplus or deficit for fiscal 1949?

THE PRESIDENT. I had a discussion on the subject with the Secretary of the Treasury just the other day, and the original estimate, he says, is working out almost to the dot.

Q. There will be a deficit of a hundred thousand——

THE PRESIDENT. A deficit—I don't know what the final appropriation bills will be—there is an estimated deficit of about $6 or $700 million.

Q. You mean for this fiscal year, Mr. President?

THE PRESIDENT. Yes.

[13.] Q. Mr. President, have you any plans for a new Ambassador to Moscow?

THE PRESIDENT. We have been discussing the situation. I have been trying to persuade Mr. Bedell Smith to stay. I don't know whether he will or not. I think I am going to see him tomorrow morning to discuss the matter further.

Q. Mr. President, we have heard Dr. Bunche mentioned.

THE PRESIDENT. Yes. Several people have been mentioned, including Dr. Bunche. He has been mentioned.

Q. Has he been mentioned to you, or just in the columns?

THE PRESIDENT. He has been mentioned in the columns. Never been mentioned to me. Only been mentioned in the columns, as far as I know.

[14.] Q. Mr. President, do you have any comment on the vote in the House on pensions?

THE PRESIDENT. I was very happy that the House took the action it did. I think that is a constructive, forward-looking step, and I am exceedingly happy that they recommitted the bill.

Q. I notice, Mr. President, that the Republicans voted two to one with Mr. Rankin. Could you comment on that?

THE PRESIDENT. I haven't seen the positive returns, and I have no comment, anyway.

[15.] Q. Mr. President, there has been some talk that General Smith might go to Germany to take over command of the occupied area there?

THE PRESIDENT. I hadn't heard that one. I have heard nearly every other one. They have had him all over the world, but that's one that's new. I haven't heard that one.

[16.] Q. Now that the filibustering is over, would you comment on your hope for civil rights legislation in the Congress?

THE PRESIDENT. I have no comment on that at the present time. That comment must come later when the legislation comes up. I am still hopeful that we will get that program through.

[17.] Q. Mr. President, have you made any decision on Mon Wallgren, what to do in that case?

THE PRESIDENT. I am still back of Mon Wallgren for the job I appointed him to.[2]

Q. You still back him?

THE PRESIDENT. Yes. I never lay down on people. You ought to know that by this time, Pete.[3] You had the first experience with it in St. Louis.

Q. Mr. President, there was gossip around the Capitol the other day that the Republicans on the committee might change? Do

[2] Earlier the President had nominated Mon C. Wallgren, former Governor of Washington, to be Chairman of the National Security Resources Board. The nomination was pending before the Senate.

[3] Raymond P. Brandt of the St. Louis Post-Dispatch.

you know anything about that?

THE PRESIDENT. I hadn't heard anything about that.

[18.] Q. Mr. President, in the event that General Smith is not able to go back to Moscow, for considerations of health or otherwise, will he return to active military service in a command position?

THE PRESIDENT. I can't tell you what General Smith intends to do. You will have to ask him. He is a free agent.

[19.] Q. Are there any further plans for getting on the train and telling the people about your program, sir?

THE PRESIDENT. I told you that I would give you plenty of time to pack your grips to take that trip. You will be informed in plenty of time.

[20.] Q. Mr. President, the Senate Appropriations Committee removed Reclamation Commissioner Straus, and Mr. Richard Boke, from their consideration in the deficiency appropriation bill; that is, for the payment of back salary——

THE PRESIDENT. I am very sorry that the Senate did that.

Q. I wondered if you had any comment on that?

THE PRESIDENT. No comment.

[21.] Q. Mr. President, you referred, before the mayors the other day, to the rent control bill which passed the House. Have you any comment to make on the bill which passed the Senate?

THE PRESIDENT. No. I will wait until the conference committee meets and sends me a bill, and then I will comment on the bill when it reaches me.

[22.] Q. Mr. President, do you expect to send a message on the U.N. cornerstone laying, inasmuch as you won't be there——

THE PRESIDENT. Well, I will—we have the matter under consideration. If I send one, I will give it to you in plenty of time so you can publish it.

[23.] Q. Mr. President, does cancellation of these two New York speeches, along with the Boston speeches, mean that you will not be out of town during April?

THE PRESIDENT. I don't expect to be out of town during April.

Q. That means no out-of-town engagements?

THE PRESIDENT. That's right.

[24.] Q. Mr. President, I notice you said that among other things you are going to see Congressmen. Is that a new attempt at reconciliation——

THE PRESIDENT. No, no. I always see Congressmen and Senators at their request. They have made so many requests that I have to stay here in order to see them. I never turn them down when they want to come in. That has always been the policy ever since I have been here.

[25.] Q. Mr. President, since you discussed the economic situation several months ago, the price of lead has dropped 10 percent—which is one of the nonferrous metals. Have you any comment as to the inflationary factors now?

THE PRESIDENT. No, I haven't. There is no reason for me to comment.

[26.] Q. Mr. President, what do you think of the appointment of Dr. Graham as the Senator from North Carolina?

THE PRESIDENT. I think it was a wonderful appointment. Dr. Graham is a great American and a great citizen. I have sent him on several special missions myself, and he has always worked successfully in the public interest. He will make a good Senator.

[27.] Q. Mr. President, with respect to the Atlantic Treaty signing, do you expect to sign on behalf of the United States a new——

THE PRESIDENT. The Secretary of State will sign for the United States, just as the Secretary of State signed the United Nations Charter.

[28.] Q. Mr. President, you spoke of intending to have some interviews with Members of Congress. Can you tell us who?

THE PRESIDENT. No. They will appear on the record as they come in. You will be informed.

[29.] Q. Mr. President, have you any comment on the local option provision written in by the House and Senate on the rent control bill?

THE PRESIDENT. I don't know anything about it. I haven't read the bill, in either instance, and I can't comment on it until it gets to my desk. Then I will comment on it copiously, if it needs comment.

[30.] Q. Mr. President, could I clarify the Dr. Bunche ambassadorship to Moscow? Did I understand you to say that he was under consideration by you?

THE PRESIDENT. I said that he had been mentioned in several columns as a possible Ambassador to Moscow, and that is as far as I went.

Q. Are you usually guided by columns? [*Laughter*]

THE PRESIDENT. You ought to know, Tony! [4]

[31.] Q. Mr. President, getting back to these interviews—just to clear my own mind—these are at the request of Members and not at your request?

THE PRESIDENT. That's right. There are occasions when I ask Members of the various committees to come in and talk to me on subjects, but most of the requests come directly from the Congressmen and Senators themselves.

Q. You asked Congressman Walter to come, didn't you?

THE PRESIDENT. Yes, I asked Congressman Walter to come in to discuss the displaced persons bill.

Q. Is there any priority system in answering their requests?

THE PRESIDENT. No priority. They will come in in the order in which they ask to come in.

Q. That might be in the nature of an "at home" for Congressmen?

THE PRESIDENT. Not necessary. It's an "at home" for the business of the Government.

Q. Is the principal reason that you are asking these—you are staying here to talk to the Members of Congress to cultivate close relations with them?

THE PRESIDENT. Always close relationships between Members of Congress and myself, in spite of what the columnists have had to say.

Q. Even closer?

THE PRESIDENT. Well yes, even closer.

Q. Mr. President, how many requests do you have from southern Members?

THE PRESIDENT. Oh, quite a number. I have just as many of them as I do the other brand. Republicans, too, whenever they want to, can come in.

[32.] Q. In your two last—previous telegrams, you said international decisions had a part to play in cancellation. Is that true in this case too?

THE PRESIDENT. That's right.

[33.] Q. Mr. President, when are you going to send your national health bill to the Congress?

THE PRESIDENT. They are working on it now. It isn't ready. Whenever it's ready, I will let you know.

Q. Would it be substantially what you recommended in the past?

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[4] Ernest B. Vaccaro of the Associated Press.

THE PRESIDENT. Oh, of course it will be consistent with the message that has gone down on the subject.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You are entirely welcome.

NOTE: President Truman's one hundred and seventy-third news conference was held in his office at the White House at 4 p.m. on Thursday, March 24, 1949.

59 Letter to the President of the Senate and to the Speaker of the House on Establishing a Commission on the Renovation of the White House. *March 25, 1949*

Dear Mr. ————:

On February 16, 1949, I addressed a communication to the Congress further advising the Congress of the critical structural conditions in the executive mansion and transmitting an estimate of appropriation for the renovation and modernization of the building.

I have given much thought to the interest of the Nation in the maximum retention of the architectural and historic features of the executive mansion and to the accompanying problems which must be faced in a renovation project of this magnitude and importance. I feel sure that the people of this country expect this major undertaking to be accomplished by the best qualified architects, engineers and craftsmen available and that adequate authority will be granted by the Congress to the individuals who are made responsible for the satisfactory performance of the work.

With this thought in mind I consider it appropriate that the Congress should establish a Commission which would exercise general supervision and direction of all construction work involved in the renovation and modernization of the mansion, including the approval of plans and the selection of contractors.

In the past the Congress has established commissions to select sites, procure plans and exercise general supervision for the construction of our national shrines, as in the case of the memorials for Thomas Jefferson and Abraham Lincoln. The scope and character of the work proposed in this case, and the objectives which always must be kept in mind in the renovation of the executive mansion, will impose a great responsibility on a commission appointed for this work.

I trust, therefore, that at the earliest possible date the Congress will enact legislation to establish a commission for the purposes indicated.

Very sincerely yours,

HARRY S. TRUMAN

NOTE: This is the text of identical letters addressed to the Honorable Alben W. Barkley, President of the Senate, and to the Honorable Sam Rayburn, Speaker of the House of Representatives.

On April 14, 1949, the President approved a bill "to provide for a Commission on Renovation of the Executive Mansion" (63 Stat. 45).

For the President's letter of February 16, see Item 31.

60 Citation Accompanying Distinguished Service Medal Awarded to Fleet Admiral William D. Leahy. *March* 25, 1949

THE PRESIDENT of the United States takes pleasure in presenting the Gold Star in lieu of the Third Distinguished Service Medal to

FLEET ADMIRAL WILLIAM D. LEAHY,
UNITED STATES NAVY

for service set forth in the following

CITATION:

For exceptionally meritorious service to the Government of the United States in duty of great responsibility as Chief of Staff to the Commander in Chief of the Armed Forces of the United States and concurrently as Member of the Joint Chiefs of Staff from February 1, 1946 to March 21, 1949. Eminently qualified by his experience in the fields of government and international affairs, Fleet Admiral Leahy contributed his deep wisdom and judgment to the guidance of his country following the victorious conclusion of the last war. His supreme loyalty to his country and his appreciation of its place in world affairs, supplemented by his fundamental concern in the welfare of humanity as a whole, transcended his already vast knowledge of military affairs to culminate in statesmanship beyond that required of any Naval officer in our history. A champion of democracy and respecter of sovereignty, defender of independence, and humanitarian in his recognition of peoples' needs and rights, the great accomplishments attained in consequence of Fleet Admiral Leahy's guidance bring to him unparalleled distinction. His service to the Commander in Chief, the Nation and humanity, exemplary in its brilliance and accomplishment, reflects the highest credit upon Fleet Admiral Leahy and enhances the finest traditions of the United States Naval Service.

HARRY S. TRUMAN

NOTE: The presentation was made by the President in a ceremony at the White House at 3:15 p.m.

61 Statement by the President on the 128th Anniversary of the Independence of Greece. *March* 25, 1949

I HAVE been deeply impressed by the "Work and Victory" manifestations in Greece, demonstrating the united will of the Greek people to labor and fight for the preservation of their ancient democratic heritage and of their independence, so proudly proclaimed 128 years ago today. I have also been moved by the concurrent expressions of Greek appreciation of American aid and of the Greek people's determination to use the help extended by their American and other friends to the best advantage.

Greek heroism displayed in the Greek War of Independence and in the First and Second World Wars evoked the admiration and enlisted the support of Americans. Today, on this anniversary of Greek independence, the reaffirmation of Greek resistance to a new alien threat is a further shining example of courage in the face of adversity.

Despite the continuing ravages of the foreign-inspired guerrilla warfare, the Greek people remain determined to rebuild their

own land in their own way, in freedom and in peace. This is the significance of the "Work and Victory" rally. The spirit of the people and the recent successes of the Greek armed forces confirm my confidence that the new totalitarian pressure will be contained, whatever difficulties may lie ahead.

The American people are proud of their part in helping to preserve Greek independence and the structure of world peace through the Greek aid program.

62 Radio Address as Part of Interdenominational Program, "One Great Hour." *March* 26, 1949

[Delivered from the White House at 10:55 p.m.]

Fellow citizens:

The words from the Bible that have just been read to us carry a great message. It is one that influenced our fathers deeply, and guided them when they shaped our way of life. As a country, we have long understood that to help the suffering is to serve God.

Through our communities and our governments as well as through out charities we have sought to carry out this Divine command to aid the hungry, the needy, and the sick.

Today, however, the words of the parable of the Last Judgment have fresh meaning for us.

They make clear our duty toward those millions of people in other countries who have suffered and still suffer the miseries of war, destruction, and tyranny.

There are thousands of children in foreign lands today who have no memory of their parents, no knowledge of the meaning of the words "home" and "family," and who have forgotten what it feels like to have enough to eat. There are hopeless thousands who wander among the shattered towns seeking a place to rest, seeking security and a chance to begin their lives anew. There are many who pray to God only in secret, fearing persecution if they profess their beliefs openly.

It is hard for us to comprehend grief and distress such as this, because we in America are so much more fortunate. Our country has been blessed with material riches. Our homes are secure. We can go to our churches and worship God as we desire. And most important of all, we know that our rights and our dignity as individuals are guaranteed to us under the Constitution.

We know that we enjoy these great blessings not because of any special merit on our part, but because of the bounty of God. It is to His Providence that we owe the richness of our country and our heritage of freedom. Since these good things come to us from Him, we know that we must use them for the good of others in accordance with His will.

Many of those in need and distress throughout the world share these beliefs and ideals with us. To them we should offer not only our aid in physical things, but also the sense of brotherhood in a common cause.

We cannot do this through the channels of government alone. We must also extend the hand of fellowship through our private organizations and as individuals. In this way, we can join with those of kindred faith and destroy the barriers of distrust and propaganda that divide us from our fellowmen.

To the millions in the world who cry in their despair for a new day of freedom and

justice, we here in America, out of our strength and by our example, can give hope and comfort.

I urge you to go to worship tomorrow, each in his accustomed place, to thank God for our heritage and our strength, and to ask Him for the grace and power to carry out His will in this troubled world.

63 Citation Accompanying Distinguished Service Medal Awarded to James Forrestal. *March* 28, 1949

THE PRESIDENT of the United States of America, authorized by Act of Congress, July 9, 1918, has awarded the Distinguished Service Medal to

JAMES FORRESTAL

for exceptionally meritorious service in a duty of great responsibility.

JAMES FORRESTAL has performed exceptionally meritorious and distinguished service to the United States of America in a position of great responsibility as the first Secretary of Defense, and head of the National Military Establishment from its origination under the National Security Act of 1947 on September 18, 1947, to March 28, 1949. During this period, he was responsible for envisaging, planning, and executing important policies and programs for the integration of the Armed Forces and the related agencies of the National Military Establishment, and his success in this complex undertaking materially advanced the security of the nation. He courageously and with statesman-like skill led in the resolving of vast, complex and innumerable problems in the manifold and unexplored areas involved. He was remarkably successful in building a solid foundation for the unified military establishment, in achieving fruitful progress in many fields, and also in expediting to an exceptional degree the development of the Armed Forces in the urgent and far reaching fields of scientific accomplishment. Beginning this challenging assignment with a background of more than seven years of distinguished public service, he performed his duties as Secretary of Defense with vigorous leadership, fearlessness, integrity, selflessness, and unstinted expenditure of physical effort. To implement the task undertaken he, with excellent judgment and rare initiative, brought to action numerous civilian, scientific, industrial, business, religious and educational elements of the Nation to augment the uniformed personnel in making our military strength a potent factor in the constant efforts of the nation to attain the goal of world peace.

HARRY S. TRUMAN

NOTE: The presentation was made by the President in a ceremony at the White House at 3:30 p.m.

64 Remarks at a Dinner for Secretary of Defense Louis Johnson. *March* 28, 1949

Colonel Johnson—Lt. Colonel Johnson—Mr. Chief Justice, Mr. Secretary:

I am happy, of course, to be here. I have been looking around over this audience, and it certainly is a pleasure to be with you. I see the ranking member of the House Committee on Appropriations—the chairman, in fact—from Missouri sitting over there, and I

see the ranking member on the Defense Committee of the House, the only Republican in the House that Missouri can boast of—Dewey Short. And I see former members of the committee with which I served in the Senate, sitting over here—Harley Kilgore and Owen Brewster.

As I look around over this gathering, I have come to the conclusion that Lt. Col. Louis Johnson has more friends than I thought he had. I am glad that "Steamboat" Johnson put him in his place. You see, I rank him in that case. I am a colonel myself, at least I suppose I am. I don't know whether the Chief of Staff has canceled that commission or not.

General Bradley: No sir!

THE PRESIDENT. I have had a lot of experience with Chiefs of Staff, and I like them all. And Chiefs of Naval Operation, too, and the Chiefs of the Air Force. But this is a wonderful occasion. I have been in Washington since January 3d, 1935, officially. And I have had associations with nearly every man in this room of one sort or another.

Mr. Forrestal was Secretary of the Navy when I became President of the United States on April 12, 1945, on a very sad evening for me and for the Nation. Mr. Forrestal did a magnificent job as Secretary of the Navy. He has implemented the defense program as Secretary of Defense, and he is being succeeded by an able and distinguished gentleman from West Virginia, Lt. Col. Louis Johnson, in whom I have the utmost confidence, as I had in Mr. Forrestal.

This audience is made up of a cross section of the Government of the United States. I see the Secretary of the Treasury sitting back there, who is also a colonel of field artillery—Mr. Chief of Staff, is he not? And I see the other members of the Government scattered around over here. It would take me all evening to name them. It goes to show that we have, I think, the most interesting government in the history of the world.

I had an argument with the Chief Justice of the United States in Key West, not long ago, over the approach of a certain Hun toward Rome. We settled the argument, and we were both right. Now I want to argue with him about another quotation which he made tonight, by the great historical leader Cato. If I remember correctly, that quote was "Delenda est Carthago." Now there have been statements in the Senate of the United States, only they have been "Delenda est Trumano." They didn't work quite so well as "Delenda est Carthago" did. And I am happy to say that I have no ill feeling toward those gentlemen who would like to have "Delenda est'ed" me.

I think we are facing a very great age, and I have been trying to build up a Presidential family—a Cabinet—that can meet that age. And I think I am succeeding in doing it.

I am exceedingly sorry that Secretary Forrestal found it necessary to retire, and he is perfectly right in wanting to retire. He has been in this Government longer than most anybody here in the executive branch of the Government. He has had a successful career, and all I can wish for him is a most successful future. I know he will have it.

As I told him today at the farewell luncheon which the Cabinet had for him, that whenever there is a Cabinet meeting the doors are open, and he is perfectly welcome to come in and give us any information and advice he feels like giving us.

His successor, I am sure, will perform his functions successfully. I have known Louis Johnson a long time. I was in a Legion fight one time when he was trying to be National Commander. "Steamboat"

34-483—64——15

Johnson here was engineering the program, just as he engineered this one tonight. And he did it successfully. Louis had a very outstanding career as the National Commander of the Legion. I am satisfied that he will have an outstanding career as Secretary of Defense.

We are faced with a great many problems, both in this hemisphere and in the Eastern Hemisphere. We have been trying to meet those problems to the best of our ability, and I believe that when the history of the years after the war are written objectively and not politically, we will have nothing to be ashamed of or sorry for.

I wish I could have been here earlier tonight, but as you know I have certain chores that have to be carried out. The Director of the Budget comes in nearly every day and hands me a stack of documents to read, and the Secretary of State comes in nearly every day and hands me documents to read; and as soon as he leaves, the Secretary of the Treasury usually comes in and hands me documents to read. Today I saw every member of the Cabinet, and each of them had things that they thought were necessary for me to look into. I have been trying to cover that situation since I left the White House office at 5:30 this evening.

You know, the White House is not functioning now, it's about to fall down. I hope it doesn't before the Congress gets around to the point of having it fixed. The engineers and architects decided that the President and his family ought to move out because the second floor might cave in and cover him up. Some people would be very happy over that, but not me! Eventually, I hope, we will get back into the House.

I am exceedingly pleased to be here. As I said, I wish I could have been here before now, as I know you have had a very pleasant evening. All of you look as if you did. From the looks of the debris around here, I am sure you did.

I wish for the new Secretary of Defense every success, and as far as it is possible for me to give it to him, he will have the cooperation of the President of the United States.

NOTE: The President spoke at 9:30 p.m. in the Sapphire Room of the Mayflower Hotel in Washington.

In his opening remarks the President referred to Louis Johnson, Secretary of Defense, Fred M. Vinson, Chief Justice of the United States, James Forrestal, former Secretary of Defense, Representative Clarence Cannon of Missouri, chairman of the House Committee on Appropriations, Representative Dewey Short of Missouri, ranking Republican member of the Defense Committee of the House, Senators Harley Kilgore of West Virginia and Owen Brewster of Maine, former members of the Senate Committee to Investigate the National Defense Program, and J. Monroe Johnson, Director of the Office of Defense Transportation, sometimes referred to as "Steamboat."

65 Statement by the President Upon Signing the Housing and Rent Act. *March* 30, 1949

I HAVE today given my approval to H.R. 1731, the Housing and Rent Act of 1949, which extends rent control for 15 months until June 30, 1950.

This act is a result of the joint efforts of the Congress and the administration to find an equitable solution for a difficult problem. While affording more effective protection to tenants against illegal or unjustified rent increases, the act also facilitates the making of adjustments necessary to correct injustices against landlords. In particular, the act will

be helpful in the case of any small landlords who may not be obtaining an adequate net operating income.

Specifically, the act strengthens rent control in the following respects:

1. It gives the Housing Expediter the authority to regulate evictions. He has not had this authority since June 30, 1947. Since that time, the fear of evictions has been one of the major factors leading to a black market in rents. The restoration to the Housing Expediter of the right to control evictions will make it possible to curb this black market.

2. It gives the Housing Expediter the right to sue for treble damages for violation of rent ceilings. He has not had this authority since June 30, 1947. This will provide another powerful weapon to curb the black market in over-ceiling rents.

3. It gives the Housing Expediter the authority to recontrol on his own initiative any area he may decontrol hereafter. It also permits him, upon the recommendation of a local rent advisory board, to establish rent control in any area not now controlled. The Housing Expediter has not had authority, since June 30, 1947, to establish rent control in new areas or to recontrol any decontrolled areas.

4. It requires approval by the Housing Expediter before additional units created by conversion may be decontrolled. Since June 30, 1947, such decontrol has been automatic. The new provision will assure that decontrol will be permitted only for genuine conversions and will prevent evasive practices and pseudo-conversions which have been taking place since June 30, 1947.

5. It brings back under rent control a number of types of accommodations which have been decontrolled since June 30, 1947. Among these are accommodations not rented for any successive 24-month period between February 1, 1945, and March 30, 1948, trailers and trailer space, except those used exclusively for transient occupancy; and permanent hotel accommodations in cities with a population of 2½ million or more, except in predominantly transient hotels.

6. It does away with the much-abused procedure permitting so-called voluntary leases with rent increases up to 15 percent. This removes the possibility of coercion by landlords to make tenants sign such leases in the future, and eliminates the practice of requiring tenants to sign such leases before they can rent vacant units.

7. It restores to the Housing Expediter the authority to obtain all necessary information by direct testimony or from records and to use the power of subpoena for this purpose whenever necessary. The Housing Expediter has not had this power since June 30, 1947.

8. It requires landlords who receive rent adjustments to certify that they are maintaining and will continue to maintain all services furnished on the date determining the maximum rent.

In short, the act establishes an effective system of rent control administration—remedying weaknesses in the present law which tend to make rent control ineffective because of inadequate enforcement powers.

With respect to decontrolling areas where rent control is no longer needed, the act gives new responsibility to the States and to incorporated cities, towns, and villages. In doing this the act extends the principles underlying the operation of local rent advisory boards, that is, the granting of greater discretion to local authorities to say whether Federal rent control is necessary in their localities.

The act provides that in order to obtain decontrol, an incorporated city, town, or village must hold a public hearing after 10

days' notice and must make a finding as a result of that hearing, that there no longer exists such a shortage in rental housing accommodations as to require rent control. Furthermore, such determination to decontrol must be approved by the Governor of the State. I urge local authorities in reaching their decisions to examine all the facts carefully and to exercise their best judgment in the interest of all the citizens in their communities.

The act provides that in making adjustments the Housing Expediter shall assure landlords a "fair net operating income." This provision does not create an administratively unworkable standard of "fair return," nor does it mean a general rent increase for all tenants. Rather, it provides an equitable standard for adjustments where they are needed.

This act was passed by the Congress despite the propaganda barrage which was designed to destroy rent control altogether. In its final form, it represents a crushing defeat for the real estate lobby.

The passage of this effective rent control law clearly demonstrates the purpose of the Congress to maintain adequate protection for tenants until the housing shortage is relieved. By this action, the Congress has reemphasized the necessity for the prompt enactment of legislation which will help to relieve the housing shortage.

NOTE: As enacted, H.R. 1731 is Public Law 31, 81st Congress (63 Stat. 18).

66 The President's News Conference of *March* 31, 1949

THE PRESIDENT. [1.] I have no special announcements for you this morning. I made the special announcement last night so you would have plenty of time to mull into it.[1] If you have any questions, I will try to answer them.

[2.] Q. Mr. President, Senator Taft and Senator Russell, apparently with considerable support from both parties introduced an amendment to cut ERP by 10 percent. Do you favor that?

THE PRESIDENT. The ERP should not be cut at all. It was worked out after obtaining the best information possible, and the request was made for the amount that was necessary to run the ERP budget for the coming year.

[3.] Q. Mr. President, Senator George is quoted as saying that a tax increase this year would be the only way to get us into a serious depression. It seems that some of the Senators up there——

THE PRESIDENT. I do not agree at all with Senator George on that. I think he is wrong. I think that the fact that we may have to run a deficit this year would be much more dangerous for the country than to levy taxes necessary to run the Government.

[4.] Q. Mr. President, there is another report, sir, that you may soon release the Bikini report.[2] Is there any truth to that?

THE PRESIDENT. There is no foundation in fact for that.

[5.] Q. Mr. President, have you decided on the invitation to go to Hartford, Conn., in June to speak at Trinity College?

THE PRESIDENT. I have not accepted the

[1] See Item 65.

[2] The report of the Joint Chiefs of Staff Evaluation Board on the atomic weapons tests held off Bikini Island in July 1946. See 1948 volume, this series, Item 278 [1].

invitation. I have been canceling invitations instead of accepting them. I am sorry. I wish I could go.

[6.] Q. Mr. President, can you say when the health insurance message would go up?

THE PRESIDENT. It is in the course of preparation now. As soon as it is ready, I will release it to you.

Q. It will be a message?

THE PRESIDENT. It will be in the form of a message, yes.

[7.] Q. Mr. President, there is a report that the Federal Reserve Board intends to further relax Regulation W.[3] Do you still intend to ask for extension beyond June 30th?

THE PRESIDENT. Certainly. I certainly do. There is nothing like that under consideration by the Federal Reserve Board at the present time.

[8.] Q. Is Dr. Nourse resigning?

THE PRESIDENT. No. He told you that yesterday, didn't he, as he went out the door?

[9.] Q. Mr. President, are you passing up invitations which will take you out of Washington during the month of May? In other words, you intend to remain here through the month of May?

THE PRESIDENT. Yes, that is my intention. I have so much work to do, I can't get to it.

[10.] Q. Mr. President, another report up there is that your economic stabilization bill has been shelved. Has that been done with your approval or your knowledge?

THE PRESIDENT. If the economic stabilization bill has been shelved, I know nothing about it. I don't think it will be shelved without consultation with me.

[11.] Q. Mr. President, Senator Bermúdez of Mexico has been here seeking a loan for oil development. I was wondering if you are in favor of such a loan?

THE PRESIDENT. I have not gone into it. It has never been put up to me directly, so I can't tell you whether I am in favor of it or not. After it has been properly looked into by the departments, and they decide that it should be done, why of course I will be in favor of it.

[12.] Q. Mr. President, do you have any comment on Chairman Vinson's idea that we need another billion and a half for the military budget?

THE PRESIDENT. If we needed another billion and a half for the military budget, I would have asked Congress for it when I sent up the Budget Message.

[13.] Q. Mr. President, there is a report that you are considering Jonathan Daniels for the new Secretary of the Navy?

THE PRESIDENT. I have heard—I saw in the paper this morning that he was being considered for every job in the Government, and I have no comment to make on that.

[14.] Q. Mr. President, there is a report that we will send an Ambassador to Spain soon after the United Nations votes to do that?

THE PRESIDENT. That's the first time I had heard anything about that. That's another of the "it is said" things on the front page of the Times—Herald Tribune—I forget which—this morning. That's the first time I ever heard anything about it.

[15.] Q. Mr. President, Mr. Caffery, our Ambassador to France, has been mentioned as a possibility for Moscow. Are you considering that?

THE PRESIDENT. There have been a dozen possibilities for Moscow, but none of them is under serious consideration at the present time.

[16.] Q. Mr. President, have you any new choice for Chairman of the Security Resources Board?

THE PRESIDENT. No, I have not. I sent my

[3] See Item 32 [8].

choice to the Congress, and I am still behind him.[4]

[17.] Q. Mr. President, in view of the present economic fluctuations which make it appear that inflation may have been stopped, would you be agreeable to deferring action on your economic control program?

THE PRESIDENT. I think the economic control program—the request for the economic control program has been one of the main reasons for the temporary heading off of inflation. I think it is just as necessary now as it ever has been. We have been using those powers that we have with circumspection in the public interest. That is what we intend to do with those powers we are asking for now.

Q. Can you say then, Mr. President, that the request to extend it has had a very good effect?

THE PRESIDENT. I think it has.

[18.] Q. Mr. President, the leader of the opposition—as they call him in England—Mr. Taft, has had some words to say about the——

THE PRESIDENT. I thought Mr. Wherry was the Floor leader of the Senate? [*Laughter*]

Q. Well!—I stand corrected.

THE PRESIDENT. Go on, Bob.[5] [*More [laughter*]

Q. Anyway, Senator Taft has had some words to say about the North Atlantic Pact. He has said that he is opposed to ratification of the pact, and he believes that a majority of Senators think the same way with him. Could you comment on that remark?

THE PRESIDENT. I have no way of telling anything about what Senator Taft thinks. I think he is wrong about the pact. I think the pact is absolutely necessary, and I think it will be ratified when it comes up before the Senate.

[19.] Q. Mr. President, would you care to comment on the remarks of the real estate lobby on the rent control law?

THE PRESIDENT. I have a long-winded telegram from the real estate lobby, giving me all sorts of "what for" for signing the bill, so it must be a good bill for that very reason.

Q. Are you going to release the telegram, Mr. President?

THE PRESIDENT. The telegram is not mine to release. It belongs to the sender. If he wants to release it, he is perfectly at liberty to do it, as far as I am concerned. It will confirm my statement of yesterday, if he does release it.

[20.] Q. Mr. President, I was just wondering if we could separate the standby wage and price controls from the other parts of the economic program? Has the legislation dealing with standby price and wage controls been shelved temporarily?

THE PRESIDENT. I don't think so. I don't think any of the present program has been shelved. It is still under consideration. Plenty of time yet for action on it.

Yes, Joe?

[21.] Joseph A. Fox (Washington Star): Who was the Senator that has got this telegram?

THE PRESIDENT. Which telegram?

Mr. Fox: On real estate.

THE PRESIDENT. I got it—I have got it right here. He can give it to you, but I am not going to do it.

Q. From a Senator?

THE PRESIDENT. From the sender. I have no objection to its being published.

Q. Was it sent by a Senator, Mr. President?

THE PRESIDENT. No, no—it was sent by the head of the real estate lobby here in Wash-

[4] Mon C. Wallgren, former Governor of the State of Washington.

[5] Robert G. Nixon of International News Service.

ington—Mr. Nelson.[6]

Q. What organization?

THE PRESIDENT [*turning to Mr. Ross*]. What's the name of the organization?

Q. National Association——

THE PRESIDENT. National Association of Real Estate Boards.

Q. You said it would have to be released by the *sender?*

THE PRESIDENT. By the man who sent it. [*Laughter*]

Q. Oh!

THE PRESIDENT. That was the—the telegram was to me, and if the sender of that telegram, or the man who sent it, wants to release it, I have no objection, because it confirms what I have in my statement of yesterday.

[22.] Q. Mr. President, there have been reports that Joseph Fox is under consideration to be District Commissioner? Have you heard those?

THE PRESIDENT. The name of Joe Fox was presented to me by a number of eminent real estate—[*much laughter*]—I have real estate on the brain. Newspapermen, I should say.

Q. *Fourth* estate.

Q. Mr. President, is Mr. Fox also a candidate of the real estate lobby?

THE PRESIDENT. Well now, I made a slip of the tongue there. We have been talking about real estate—I was thinking about these gentlemen right here before me. White House correspondents.

Reporter: Thank you, Mr. President!

NOTE: President Truman's one hundred and seventy-fourth news conference was held in his office at the White House at 10:30 a.m. on Thursday, March 31, 1949.

[6] Herbert U. Nelson, executive vice president of the National Association of Real Estate Boards.

67 Statement by the President Upon Signing Bill Providing for an Under Secretary of Defense. *April 2, 1949*

TODAY I have signed an enrolled bill which provides for an Under Secretary of Defense. This improvement in the Security Act meets with my hearty approval, since it was one of the proposals for strengthening the National Military Establishment contained in my message to the Congress of March 5, 1949. This act becomes law at a particularly opportune time in that it will permit the new Secretary of Defense and his Under Secretary to begin working together at an early date.

Provision of an Under Secretary is, however, only one of the changes necessary to achieve truly effective organization and management in the Department of Defense. As I indicated in my message to the Congress, amendments of the Security Act should be directed at accomplishing two basic purposes: first, conversion of the National Military Establishment into an executive department, and second, providing the Secretary of Defense with appropriate responsibility and authority, and with civilian and military assistance adequate to fulfill his responsibility.

NOTE: As enacted, the bill (H.R. 2216) "to amend the National Security Act of 1947 to provide for an Under Secretary of Defense" is Public Law 36, 81st Congress (63 Stat. 30).

68 Address on the Occasion of the Signing of the North Atlantic Treaty. *April* 4, 1949

Your Excellencies, and fellow citizens:

On this historic occasion, I am happy to welcome the foreign ministers of the countries which, together with the United States, form the North Atlantic community of nations.

The purpose of this meeting is to take the first step toward putting into effect an international agreement to safeguard the peace and prosperity of this community of nations.

It is altogether appropriate that nations so deeply conscious of their common interests should join in expressing their determination to preserve their present peaceful situation and to protect it in the future.

What we are about to do here is a neighborly act. We are like a group of householders, living in the same locality, who decide to express their community of interests by entering into a formal association for their mutual self-protection.

This treaty is a simple document. The nations which sign it agree to abide by the peaceful principles of the United Nations, to maintain friendly relations and economic cooperation with one another, to consult together whenever the territory or independence of any of them is threatened, and to come to the aid of any one of them who may be attacked.

It is a simple document, but if it had existed in 1914 and in 1939, supported by the nations who are represented here today, I believe it would have prevented the acts of aggression which led to two world wars.

The nations represented here have known the tragedy of those two wars. As a result, many of us took part in the founding of the United Nations. Each member of the United Nations is under a solemn obligation to maintain international peace and security. Each is bound to settle international disputes by peaceful means, to refrain from the threat or use of force against the territory or independence of any country, and to support the United Nations in any action it takes to preserve the peace.

That solemn pledge—that abiding obligation—we reaffirm here today.

We rededicate ourselves to that obligation, and propose this North Atlantic Treaty as one of the means to carry it out.

Through this treaty we undertake to conduct our international affairs in accordance with the provisions of the United Nations Charter. We undertake to exercise our right of collective or individual self-defense against armed attack, in accordance with Article 51 of the charter, and subject to such measures as the Security Council may take to maintain and restore international peace and security.

Within the United Nations, this country and other countries have hoped to establish an international force for the use of the United Nations in preserving peace throughout the world. Our efforts to establish this force, however, have been blocked by one of the major powers.

This lack of unanimous agreement in the Security Council does not mean that we must abandon our attempts to make peace secure.

Even without that agreement, which we still hope for, we shall do as much as we can. And every bit that we do will add to the strength of the fabric of peace throughout the world.

In this treaty, we seek to establish freedom from aggression and from the use of force in the North Atlantic community. This is the area which has been at the heart

of the last two world conflicts. To protect this area against war will be a long step toward permanent peace in the whole world.

There are those who claim that this treaty is an aggressive act on the part of the nations which ring the North Atlantic.

That is absolutely untrue.

The pact will be a positive, not a negative, influence for peace, and its influence will be felt not only in the area it specifically covers but throughout the world. Its conclusion does not mean a narrowing of the interests of its members. Under my authority and instructions, the Secretary of State has recently made it perfectly clear that the adherence of the United States to this pact does not signify a lessening of American concern for the security and welfare of other areas of the world, such as the Near East. The step we are taking today should serve to reassure peace-loving peoples everywhere and pave the way for the worldwide stability and peaceful development which we all seek.

Twice in recent years, nations have felt the sickening blow of unprovoked aggression. Our peoples, to whom our governments are responsible, demand that these things shall not happen again.

We are determined that they shall not happen again.

In taking steps to prevent aggression against our own peoples, we have no purpose of aggression against other peoples. To suggest the contrary is to slander our institutions and defame our ideals and our aspirations.

The nations represented here are bound together by ties of long standing. We are joined by a common heritage of democracy, individual liberty, and rule of law. These are the ties of a peaceful way of life. In this pact we are merely giving them formal recognition.

With our common traditions we face common problems. We are, to a large degree, industrial nations, and we face the problem of mastering the forces of modern technology in the public interest.

To meet this problem successfully, we must have a world in which we can exchange the products of our labor not only among ourselves, but with other nations. We have come together in a great cooperative economic effort to establish this kind of world.

We are determined to work together to provide better lives for our people without sacrificing our common ideals of justice and human worth.

But we cannot succeed if our people are haunted by the constant fear of aggression, and burdened by the cost of preparing their nations individually against attack.

In this pact, we hope to create a shield against aggression and the fear of aggression—a bulwark which will permit us to get on with the real business of government and society, the business of achieving a fuller and happier life for all our citizens.

We shall, no doubt, go about this business in different ways. There are different kinds of governmental and economic systems, just as there are different languages and different cultures. But these differences present no real obstacle to the voluntary association of free nations devoted to the common cause of peace.

We believe that it is possible for nations to achieve unity on the great principles of human freedom and justice, and at the same time to permit, in other respects, the greatest diversity of which the human mind is capable.

Our faith in this kind of unity is borne out by our experience here in the United States in creating one nation out of the vari-

ety of our continental resources and the peoples of many lands.

This method of organizing diverse peoples and cultures is in direct contrast to the method of the police state, which attempts to achieve unity by imposing the same beliefs and the same rule of force on everyone.

We believe that our method of achieving international unity through the voluntary association of different countries dedicated to a common cause is an effective step toward bringing order to our troubled world.

For us, war is not inevitable. We do not believe that there are blind tides of history which sweep men one way or another. In our own time we have seen brave men overcome obstacles that seemed insurmountable and forces that seemed overwhelming. Men with courage and vision can still determine their own destiny. They can choose slavery or freedom—war or peace.

I have no doubt which they will choose. The treaty we are signing here today is evidence of the path they will follow.

If there is anything certain today, if there is anything inevitable in the future, it is the will of the people of the world for freedom and for peace.

NOTE: The President spoke at 4:30 p.m. in the Departmental Auditorium in Washington. In his opening words he referred to Ernest Bevin, Secretary of State for Foreign Affairs of the United Kingdom; Halvard Lange, Minister for Foreign Affairs of Norway; Joseph Bech, Minister of Foreign Affairs of Luxembourg; Bjarni Benediktsson, Minister of Foreign Affairs of Iceland; Gustav Rasmussen, Minister of Foreign Affairs of Denmark; Paul-Henri Spaak, Prime Minister and Minister of Foreign Affairs of Belgium; Dean Acheson, Secretary of State of the United States; Lester B. Pearson, Secretary of State for External Affairs of Canada; Robert Schuman, Minister of Foreign Affairs of the French Republic; Count Carlo Sforza, Minister of Foreign Affairs of Italy; Dr. Dirk U. Stikker, Minister of Foreign Affairs of the Netherlands; and Dr. José Caeiro da Matta, Minister of Foreign Affairs of Portugal.

The statements of the Foreign Ministers are printed in the Department of State Bulletin (vol. 20, p. 471).

The treaty was favorably considered by the Senate on July 21, 1949, and after ratification entered into force on August 24, 1949. It was proclaimed by the President on August 24, 1949.

The text of the treaty is printed in the U.S. Statutes at Large (63 Stat. 2241), and in the Department of State Bulletin (vol. 20, p. 339).

See also Items 75, 162, 188, and 225.

69 Toasts of the President and the Prime Minister of Belgium. *April* 4, 1949

MAY I offer a toast to the Atlantic Treaty and its success. I think we have really passed a milestone in history today, and I think your children and your grandchildren will tell you that, in the days to come.

NOTE: The President proposed the toast at a State Dinner held in honor of the Foreign Ministers, Ambassadors, and Ministers of the 12 countries that had signed the North Atlantic Treaty on the same date. The dinner was held at 9:30 p.m. at the Carlton Hotel in Washington.

Prime Minister Paul-Henri Spaak of Belgium responded (through an interpreter) as follows:

The President is leaving within a few minutes, and before leaving, I should like to take this opportunity to tell him in the name of everybody present of the gratitude of those who have crossed the ocean in order to sign the Atlantic Pact—how much we owe to the people of the United States and to President Truman for his farseeing and generous policy. This policy led to the construction of the Marshall plan, and now to the assurance of security and peace to the European countries within the framework of the Atlantic Pact.

I offer a toast to President Truman, and to the American people for their aid and generosity.

70 Remarks to a Group of New Democratic Senators and Representatives. *April 6, 1949*

MY EDUCATION has been sadly neglected. When I was in politics in Jackson County, Mo., I engineered a Congressional District for myself, the Fourth District of Missouri, which is now well represented in the House of Representatives. I expected to go to the House and stay there the rest of my life, Sam, but it didn't work out that way.

I was nominated for the Senate, and after a campaign rather in line with the one last year, I was elected; and then in another campaign that was rather worse than that one, I was elected again. Then I got myself into all sorts of trouble, and became Vice President of the United States. I was going to say to Vice President Barkley, if he had stayed here, that on one occasion I had two tie votes in the same session, one right after the other, and those two tie votes resulted in the confirmation of Henry Wallace as Secretary of Commerce. And all of you know what Henry did to me after that, and what he tried to do in the last campaign—and is still trying to do.

It is a pleasure to me, of course, to be here tonight and to meet all the new Members of the Congress—the House of Representatives and the Senate, and to say to you that a new Congressman and a new Senator are each and everyone in the same position and condition that I was in when I was sworn in on the 3d day of January 1935, as the Junior Senator from Missouri.

There was an old county judge who was with me on the county court in Jackson County, who was a nephew of Senator Money from Mississippi, who had been here in Washington with Senator Money, and who was a very great philosopher. And he gave me some advice before I left Independence to come to Washington. He said, "Harry, don't you go to the Senate with an inferiority complex. You sit there about 6 months, and you wonder how you got there. And after that you wonder how the rest of them got there."

And the funny part about that was that J. Ham Lewis, who was a very kindly man, came and sat down beside me the day after I was sworn in, and said exactly the same thing to me as the old judge had said to me back in Missouri!

And I want to say to all you Junior Senators and Congressmen that what he said is exactly true. And I am not saying that unkindly, because after you have been in either one of those legislative positions for some time, you begin to understand why such men as Alben Barkley, Sam Rayburn, and Scott Lucas go to the top. They go there because they have kind hearts, because they believe in people, and because they want to do what is best for this greatest Republic in the history of the world.

I know that is what every one of you wants to do. You want to continue to see this great country of ours grow and do the right thing for all the people of the world. Not only the people of our own country, but all the people in the world, because the welfare of the world is now our responsibility. Whether we like it or not, we have been forced into that position by two world wars, both of which could have been avoided, if we had been willing to assume the place which God Almighty intended us to assume back in 1918, instead of having to assume it after two terrible wars.

I know that there is not a man here who wants to see a third war necessary, to make us believe what our responsibility is.

In the history of the world there has never been a republic, a monarchy, or a totalitarian state that has met the situation as we have: we have offered to give up the greatest weapon in the history of the world for the welfare of mankind. We have offered to surrender the most powerful thing we have under our control, if the world will come in and set up a control of that weapon which will prevent its use for the destruction of mankind.

I had to make a decision back in July 1945, and I had to make that decision on the basis of the welfare not only of this country but of our enemy country. And I made that decision because I thought 200,000 of our young men would be saved by making that decision, and some 3 or 400,000 of the enemy would be saved by making that decision.

Now I believe that we are in a position where we will never have to make that decision again, but if it has to be made for the welfare of the United States, and the democracies of the world are at stake, I wouldn't hesitate to make it again.

I hope and pray that that will never be necessary.

The meeting we had the other afternoon—day before yesterday—in which we signed the Atlantic Pact, I think is a step that will prevent our having to make a decision of that sort. We have made decisions at Rio de Janeiro and Bogotá, and this is another one along that same line. And I hope that every one of you young Congressmen and Senators will study the history of the world, from Greece and Rome, and France and Britain, when they were on top—and Germany, Germany made a mistake in two instances—and understand that our only objective is peace and the welfare of every nation and every race in the world. That's all there is to it.

NOTE: The President spoke at 8:15 p.m. following a buffet supper at the Carlton Hotel in Washington. In the opening paragraph he addressed his remarks to Sam Rayburn, Speaker of the House of Representatives.

71 Exchange of Messages Between the President and Prime Minister Attlee on the Anniversary of the Signing of the Foreign Assistance Act. *April 7, 1949*

I AM confident that I speak not only for myself but for the people of the United States in expressing appreciation for your message on this first anniversary of the signing of the Foreign Assistance Act of 1948.

The record of the countries participating in the European recovery program during the past year is one of great accomplishment in industry, in agriculture, in trade. It is a record of tireless hard work. It is also, I believe, a record of achievement through cooperation. The Organization for European Economic Cooperation so recently established by the countries working together toward full recovery has demonstrated to us all the meaning of true international action.

We in the United States are proud that we have had a part in this great mutual effort. We are confident that the progress toward true recovery which has been so marked during this first year will continue and that the high goals which have been set will be fully realized.

HARRY S. TRUMAN

NOTE: Prime Minister Attlee's message, released April 3, 1949, follows:

"A year has now gone by since you signed the Foreign Assistance Act of 1948 and gave us hope and help when most we needed it. In the short space of these twelve months, nineteen free nations and territories, joining together in the organisation for European Economic Cooperation have embarked on a cooperative effort which is without precedent in times of peace. As a result during the last year the whole economic scene in Western Europe has been transformed to a degree which must astonish all of us when we recall the uncertainties and perils of the immediately preceding years. That this progress towards full recovery has been and continues to be accomplished is due to the generosity and far-sightedness of the people and government of the United States. Without their help the achievements of the past year would not have been possible nor would Europe now have the confidence to go forward to grapple the great tasks which yet remain to be fulfilled. On this happy anniversary so pregnant for the peace of civilisation we send to you and to the American people our heartfelt thanks."

72 The President's News Conference of *April 7, 1949*

THE PRESIDENT. Well, the press made its own announcements this morning, so I have no special announcements to make at this time, but I will try to answer questions.

[1.] Q. Mr. President, will Secretary Royall remain in his present post?

THE PRESIDENT. I have no comment to make on that at this time.

[2.] Q. Mr. President, in your Budget Message in January you said when you found out what the cost of arms aid to Europe would be, you would ask Congress for some more money for it. Dr. Nourse has seemed to say it would be a mistake to assume that you add that figure to the January request for military expenditures?

THE PRESIDENT. The Budget Message stands as written. Dr. Nourse was invited to the meeting and to speak to them as an economist, which is what he did, and he had a perfect right to do that. There are things which have been taken out of the context in the Doctor's speech and distorted, so if you read the Doctor's speech you will get a different idea.

Q. To get it back into context, Mr. President, then there will be an additional request for funds for the Armed Forces——

THE PRESIDENT. When the time comes to take care of that situation, I will meet it.[1]

Q. Mr. President, you might absorb as much as possible out of the present Budget——

THE PRESIDENT. I have no further comment to make on that. I have answered the question thoroughly and completely.

[3.] Q. Mr. President, have you anything to say about the difference of opinion as to whether members of your Advisory Council [2] should go before Committees of Congress or not?

THE PRESIDENT. I have no comment to make on that. There is an argument on between them on that subject, and that is a matter for them to settle, not for me.

[4.] Q. Mr. President, the Star says there is a possibility of Vice Adm. Alan G. Kirk being Ambassador——

THE PRESIDENT. I saw that on the front page of the Star, and——

Q. Is there anything beyond that——

THE PRESIDENT. ——I have no comment to make on it.

Q. Mr. President, have you decided yet on a new Ambassador?

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[1] See Item 163.

[2] Council of Economic Advisers.

THE PRESIDENT. No, I have not.[3]

[5.] Q. Mr. President, can you say when the Atlantic Treaty will go up to the Senate?

THE PRESIDENT. Just as soon as I receive it, it will go down to the Senate promptly. It hasn't come over yet from the State Department.

Q. Mr. President, I will give you an easy one, sir.

THE PRESIDENT. Shoot.

[6.] Q. Your first 4 years will be up on the 12th. Is there any comment you would like to make on your first 4 years as President?

THE PRESIDENT. I always say the first 4 years are the hardest. [*Laughter*]

[7.] Q. Mr. President, could you give us any idea as to when the arms implementation figures on the aid plan will go before Congress?

THE PRESIDENT. No, I can't. Just as soon as we are ready, I will let you know.

Q. Do you know, sir, whether that has reached the Budget yet?

THE PRESIDENT. It is under consideration by the Budget, by State, and by the defense forces.

[8.] Q. Mr. President, Secretary of the Navy Sullivan says he is interested in resuming his law practice. Do you think there is any possibility of his doing that?

THE PRESIDENT. I don't know. I can't answer that question.

[9.] Q. Mr. President, what do you think of the compromise bill up on the Hill on retirement for veterans? They are putting in a bill—$72 a month for World War I veterans. Have you any comment on that?

THE PRESIDENT. I am not familiar with it, and I never comment on legislation until it is on my desk.

[10.] Q. Mr. President, can you clarify your remarks last night about the atomic bomb? [4]

THE PRESIDENT. They do not need clarification. If you will read it, it was quoted verbatim in nearly all the papers. The New York Times published it in full, and if you will read it carefully it needs no comment whatever. It is perfectly clear and explains itself.

[11.] Q. Mr. President, were you particularly interested in the sesquicentennial celebration here in Washington [5]——

THE PRESIDENT. Yes I am. I hope they will have a successful one.

Q. They killed that item. They didn't okay it in the House Appropriations.

THE PRESIDENT. I didn't know about that.

Q. You are interested in that?

THE PRESIDENT. Yes, I am interested in that.

Q. Can't hear you, Mr. President!

THE PRESIDENT. They want to know if I was interested in the sesquicentennial celebration here in Washington, and I said I was interested in it. [*Laughter*]

Q. Then I asked you whether you knew that they had killed the appropriation.

THE PRESIDENT. No, I didn't know they had killed the appropriation. Of course, an appropriation is never killed until it has passed both Houses.

Q. Yes.

[12.] Q. Mr. President, do you propose to renew your request for higher taxes or——

THE PRESIDENT. I think I have said as

[3] Vice Adm. Alan G. Kirk was appointed by the President to be Ambassador to the Soviet Union on April 20, 1949. His appointment was confirmed by the Senate on May 20, 1949.

[4] See Item 70.

[5] See Item 79.

much as is necessary on that subject, and my position hasn't changed.

[13.] Q. Mr. President, do you wish to maintain the new farm price support program that Secretary Brannan offered to Congress——

THE PRESIDENT. The statement [6] that Secretary Brannan offered to Congress speaks for itself, and I know exactly what is in it, and it's all right. That's all the comment I have to make on it.

[14.] Q. Mr. President, will Mr. Bevin and Mr. Schuman,[7] when they call on you today—is that purely a social visit, or will you discuss arms aid——

THE PRESIDENT. I can't answer that question, because they haven't talked to me.

Q. They requested it?

THE PRESIDENT. At their request? No, I invited them to come call on me. It's a matter of courtesy.

[15.] Q. Mr. President, can you say yet who will be this Government's military representative in Paris on the North Atlantic alliance?

THE PRESIDENT. No, I cannot.

[16.] Q. Mr. President, you referred to the budget necessary for the foreign assistance program of the North Atlantic Pact. That did not actually include any item——

THE PRESIDENT. No. If that matter came up, it would be considered as a separate matter. That's what the Budget Message said, if I remember correctly.

Q. Yes. Does that mean that there would be an additional——

THE PRESIDENT. The situation hasn't changed.

Q. In other words, it will be considered as a separate item?

THE PRESIDENT. That's right.

[17.] Q. Mr. President, who was it who distorted the Nourse speech?

THE PRESIDENT. Oh, I don't know. Some commentator. They are always doing that. I can't even name them.

Q. Were the newspaper accounts distorted?

THE PRESIDENT. I don't know.

[18.] Q. Mr. President, do you plan to ask General Eisenhower to come back into the military establishment on a permanent basis?

THE PRESIDENT. No, I do not.

[19.] Q. Mr. President, what would the cost of the foreign program probably be for the first year?

THE PRESIDENT. I can't answer that question until it is worked out with the budget.

Q. I understand. Would it be greater, sir, or less——

THE PRESIDENT. I can't answer the question, I say.

Q. That's all right.

[20.] Q. Mr. President, Chief of Staff General Bradley said in a speech in New York that it was wrong to assume that the United States expected Europe to bear the brunt of the first attack of an aggressor, if there were such an attack, to assume this country would retaliate——

THE PRESIDENT. I have no comment to make on that. I haven't read General Bradley's speech, and that may be out of context, too.

Q. It isn't, sir, and——

THE PRESIDENT. I have no comment to make on it.

[6] The statement made by Secretary Brannan on April 7, at a joint hearing of the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry, is printed in the Congressional Record (vol. 95, p. 4035).

[7] Ernest Bevin, Secretary of State for Foreign Affairs of the United Kingdom, and Robert Schuman, Minister of Foreign Affairs of France.

[21.] Q. Mr. President, have you made a final decision on Mr. Joe Fox [8] for the District Commissionership?

THE PRESIDENT. Well, I will say what Mr. Ross said, Joe is not losing ground. [*Laughter*]

Reporter: Thank you, Mr. President.

NOTE: President Truman's one hundred and seventy-fifth news conference was held in his office at the White House at 4 p.m. on Thursday, April 7, 1949.

[8] Joseph A. Fox of the Washington Star.

73 Statement by the President Making Public the First Report of the President's Committee on Religion and Welfare in the Armed Forces. *April* 8, 1949

THE PRESIDENT'S Committee on Religion and Welfare in the Armed Forces has submitted its first report, entitled "Community Responsibility to Our Peacetime Servicemen and Women." This report confirms my belief that there is an immediate and long-term need for an expansion of existing community activities and services in support of the spiritual and moral well-being of personnel in the Armed Forces.

The number of men and women now serving in our Armed Forces totals over 1,600,000, of whom nearly half are 21 years of age or under. Of the 700,000 individuals who entered service in 1948, over 500,000 were under 21 years of age. It is clear that these are not mature professionals. Actually, many of them soon will be finishing their military service and returning to civilian life; and in the coming years, we can reasonably expect that many others of our young men similarly will be undertaking military training for several years and then returning to civilian life. A sizable percentage of the adult male population already consists of those who, at one time or another, have received formal military training, and this percentage is gradually increasing. In groups, as well as individually, these persons are certain to have a profound effect upon our culture, our society, and our democratic institutions.

We have an obligation to see to it that the training and experiences men and women acquire, while they are serving in the Armed Forces, will help them return to civilian pursuits fully aware of their rights and responsibilities under a democratic form of government, and fully able to assume their proper places in the community as useful, patriotic citizens.

Individual civilians, as well as the military authorities, must face this obligation.

The report of the Committee on Religion and Welfare in the Armed Forces is the first step in preparing communities for their new responsibilities to the peacetime military establishment. It presents the current facts, states many of our immediate needs, defines the principles, and offers recommendations for the practical purpose of helping local communities to organize and set in operation their own programs for servicemen and women.

I hope that many of our citizens will take the time to read this report and to consider its recommendations. There is contained within it much that will be helpful to those who are seriously concerned about the effects of military service upon so many of our young citizens.

NOTE: The first report of the President's Committee on Religion and Welfare in the Armed Forces, entitled "Community Responsibility to Our Peacetime

Servicemen and Women," is dated March 24, 1949 (Government Printing Office, 1949, 29 pp.).

The President announced his intention to establish the new committee on September 16, 1948, upon making public a report on moral safeguards for Selective Service trainees by the President's Advisory Commission on Universal Training (1948 volume, this series, Item 190).

The President's Committee on Religion and Welfare in the Armed Forces was established by Executive Order 10013 of October 27, 1948 (3 CFR, 1943–1948 Comp., p. 835). The President named the following members: Frank L. Weil, chairman, Basil O'Connor, Rev. Edmund A. Walsh, Dr. Daniel A. Poling, Truman Gibson, Mrs. Ferdinand Powell, Sr., and Dorothy Enderis. In addition Dr. Lindsley F. Kimball was designated by the Secretary of Defense, and Mark A. McCloskey by the Federal Security Administrator.

See also Item 110.

74 Remarks at a Supper for the Jefferson-Jackson Day Executive Committee. *April* 8, 1949

Mr. Chairmen—and distinguished Democrats:

I do appreciate most highly what you have done in this campaign for the sinews of war for the Democratic Party. I am not used to figures like that, personally or as a Democrat. As President of the United States they are small change.

I never in my life ran for office that the Democrats didn't have a deficit to start with, and wind up with a deficit when they got through. I have been through some very excruciating campaigns in the great State of Missouri, and one that I remember very distinctly, at the end of the 2d of November, in which the finances have been minus.

But that didn't have any serious effect on the welfare of the Democratic Party, or on the winning ability of the fellow who had to win.

I am exceedingly happy that you have been able to arrange a situation which will give the party a financial background with which to win in 1950, because that election must be won. It is important.

We have a program which we expect to put over. That program is progressing successfully and satisfactorily, and after the next session of the Congress we can go to the country and say what we have done, and what we hope to do, and what we will do, when we elect the Congress in 1950.

I do appreciate most highly what you have done. I can't tell you how much I appreciate it, because if you had been in my financial condition all your life, you would more than appreciate it.

I have been wanting to tell all of you how much I am indebted to you for all the efforts which you have put forth before November the 2d, and for all the efforts which you have been putting forth to make these Jefferson-Jackson dinners a success. And they have been a success, if I can understand the figures which the chairman of the National Committee has furnished you with.

It is a pleasure to me always to meet with Democrats. It is a pleasure to me always to look into the faces of people who are interested in the welfare of the country, in the welfare of the people, as people—who are not interested in representing special interests in government.

It is a privilege for me to serve with you for the people of the United States of America, for the people of the world, and for the peace of the world.

Thank you very much.

NOTE: The President spoke at 7:35 p.m. in the Sapphire Room of the Mayflower Hotel in Washington. In his opening remarks he referred to Senator J. Howard McGrath, chairman of the Democratic National Committee, and Wilson Wyatt, chairman of the meeting.

75 Special Message to the Senate Transmitting the North Atlantic Treaty. *April* 12, 1949

To the Senate of the United States:

I transmit herewith for the consideration of the Senate a copy of the North Atlantic Treaty signed at Washington on April 4, 1949, together with a report of the Secretary of State.

This Treaty is an expression of the desire of the people of the United States for peace and security, for the continuing opportunity to live and work in freedom.

Events of this century have taught us that we cannot achieve peace independently. The world has grown too small. The oceans to our east and west no longer protect us from the reach of brutality and aggression.

We have also learned—learned in blood and conflict—that if we are to achieve peace we must work for peace.

This knowledge has made us determined to do everything we can to insure that peace is maintained. We have not arrived at this decision lightly, or without recognition of the effort it entails. But we cannot escape the great responsibility that goes with our great stature in the world. Every action of this Nation in recent years has demonstrated the overwhelming will of our people that the strength and influence of the United States shall be used in the cause of peace, justice and freedom.

In this determination, our people wholeheartedly accepted the Charter of the United Nations in 1945. Since then, we have worked unceasingly to reach international agreement through the United Nations and to make the United Nations a more effective instrument for its mighty task.

In the last year we have embarked on a great cooperative enterprise with the free nations of Europe to restore the vitality of the European economy—so important to the prosperity and peace of our country and the world.

The North Atlantic Treaty is further evidence of our determination to work for a peaceful world. It is in accord with the action of the Senate last June when it signified its approval of our country's associating itself in peacetime with countries outside the Western Hemisphere in collective arrangements, within the framework of the United Nations Charter, designed to safeguard peace and security.

The twelve nations which have signed this Treaty undertake to exercise their right of collective or individual self-defense against armed attack, in accordance with Article 51 of the United Nations Charter, and subject to such measures as the Security Council may take to maintain and restore international peace and security. The Treaty makes clear the determination of the people of the United States and of our neighbors in the North Atlantic community to do their utmost to maintain peace with justice and to take such action as they may deem necessary if the peace is broken.

The people of the North Atlantic community have seen solemn agreements, designed to assure peace and the rights of small nations, broken one by one and the people of those nations deprived of freedom by terror and oppression. They are resolved that their nations shall not, one by one, suffer the same fate.

The nations signing this Treaty share a common heritage of democracy, individual liberty, and the rule of law. The American members of the North Atlantic community stem directly from the European members in tradition and in love of freedom. We

have joined together in the progressive development of free institutions, and we have shared our moral and material strength in the present task of rebuilding from the devastation of war.

The security and welfare of each member of this community depend upon the security and welfare of all. None of us alone can achieve economic prosperity or military security. None of us alone can assure the continuance of freedom.

Together, our joint strength is of tremendous significance to the future of free men in every part of the world. For this Treaty is clear evidence that differences in language and in economic and political systems are no real bar to the effective association of nations devoted to the great principles of human freedom and justice.

This Treaty is only one step—although a long one—on the road to peace. No single action, no matter how significant, will achieve peace. We must continue to work patiently and carefully, advancing with practical, realistic steps in the light of circumstances and events as they occur, building the structure of peace soundly and solidly.

I believe that the North Atlantic Treaty is such a step, based on the realities of the situation we face today and framed within the terms of the United Nations Charter and the Constitution of the United States.

In the conviction that the North Atlantic Treaty is a great advance toward fulfillment of the unconquerable will of the people of the United States to achieve a just and enduring peace, I request the advice and consent of the Senate to its ratification.

HARRY S. TRUMAN

NOTE: The treaty was favorably considered by the Senate on July 21, 1949, and after ratification entered into force on August 24, 1949. It was proclaimed by the President on August 24, 1949.

The text of the treaty is printed in the U.S. Statutes at Large (63 Stat. 2241), and in the Department of State Bulletin (vol. 20, p. 339). The report of the Secretary of State is printed in the Department of State Bulletin (vol. 20, p. 532).

See also Items 68, 162, 188, 225.

76 Remarks on the Floor of the Senate on the Fourth Anniversary of the Death of President Roosevelt. *April* 12, 1949

Mr. President, Mr. Majority Leader, Mr. Minority Leader, Members of this distinguished legislative body—I think the legislative body which I have been closest to in my life:

I appreciate most highly your kindness and cordiality to me today. I was asked to come down and have lunch with the Senate, and I had lunch with the whole Senate, and it was a good lunch; and I had a chance to meet and talk to nearly every Senator in the Senate, a privilege which I very highly appreciate.

The reason for this invitation is the fact that in 1945 I was presiding over the Senate of the United States as Vice President. The Senate adjourned at 5 o'clock. I had an engagement to see the Speaker on a matter that was pending in both Houses in which the administration was interested. When I got to the Speaker's office, I didn't have a chance to talk to him but was instructed to return a call from the White House, which I did.

I was informed by Mr. Steve Early, who was at that time the President's Secretary,

that he would like to see me at the White House at the main entrance as soon as I could get there. I had not much of an idea of what I would be faced with when I arrived. I was informed by Mrs. Roosevelt that the President had passed away, and I immediately asked her if there was anything I could do for the family. And she very kindly and courteously told me that there was nothing at that time, that it was not herself and her family that needed help but it was the former Vice President who needed help.

The Chief Justice was summoned, and eight and a half to nine minutes after seven o'clock on the afternoon of April 12, I was sworn in as President of the United States.

I want it very clearly understood that on my part there is no celebration on this day. It is a day of sadness for me, because we lost on this day 4 years ago Franklin D. Roosevelt, I think one of the greatest Presidents this country has ever had.

And it became necessary for me to assume a tremendous burden on that evening. I have tried my level best to carry that burden in the interests of all the people of the country, and I hope that when the history of the period is written that it will be said that the effort was not in vain.

I do thank the Senate most sincerely for their courtesy to me, for this pleasant luncheon which I have had, and I hope that this will not be the last time that I may have the privilege of meeting with you.

Thank you very much.

NOTE: The President spoke at 2:10 p.m. In his opening words he referred to Senator Herbert R. O'Conor of Maryland, the presiding officer of the Senate, Senator Scott W. Lucas of Illinois, Majority Leader, and Senator Kenneth S. Wherry of Nebraska, Minority Leader.

77 Special Message to the Congress Recommending Establishment of a Columbia Valley Administration. *April* 13, 1949

To the Congress of the United States:

I recommend that legislation be enacted reorganizing certain Federal activities in the Columbia River Valley to the end that the Federal Government may play a more effective part in the development and conservation of the resources of the Pacific Northwest.

The resource activities of the Federal Government in this region are of great importance, not only because of the Government's responsibility with respect to the waters of the Columbia River and its tributaries, but also because of the extensive Federally-owned lands within the region.

Many Federal agencies have long participated in these activities to some degree, and the coordination of their separate activities presents a difficult organizational problem.

In general, two main objectives should guide the organization of the Government's resource activities. There should be unified treatment of the related resources within each natural area of the country—generally the watershed of a great river—and within the framework of sound nationwide policies. Furthermore, there should be the greatest possible decentralization of Federal powers, and the greatest possible local participation in their exercise, without lessening the necessary accountability of Federal officials to the President and to the Congress.

The traditional method of organizing the Government's resource activities, through

departments and bureaus which carry on separate nationwide activities, does not itself provide for the unified consideration of each area's resources which is so necessary, nor does it easily lend itself to decentralization. It has long been apparent that some organizational adjustments are necessary.

We have not found—nor do I expect that we shall find—a single organizational pattern that will fit perfectly the resource problems in the many diverse areas of the country.

The Tennessee Valley Authority, with headquarters in that Valley, has been spectacularly successful in achieving many of the goals of a wise and balanced use of resources, through its own activities and through close cooperation with other Federal agencies and with State and local organizations. The integration of Federal activities, through the TVA, has contributed greatly to the growing prosperity of that region, and has met the acid test of satisfying the people who live there.

More recently, Federal interagency committees have been established in several of our western river basins, under the leadership of an interagency committee in Washington, D.C. These committees have proved useful in improving the coordination of Federal activities in those basins.

This committee system, however, has obvious limits, since none of the field representatives of the several departments and agencies concerned is responsible for an over-all view of all the resources of an area. Furthermore, the field committees have no power, other than the separate delegation of authority made to their members, and important problems must be referred through separate channels to headquarters in Washington, D.C., for decision there.

In improving the organization of Federal activities in the Pacific Northwest, we must recognize the unique features of that region. The Pacific Northwest—comprising principally Oregon, Washington, Idaho, and western Montana—is a relatively undeveloped area of our Nation, rich in resources and opportunities. The grand dimensions of the Columbia River give consistency to the problems, needs and opportunities of the region.

The waters of the Columbia River system (among our rivers second only to the Mississippi in flow) are capable eventually of producing more than 30 million kilowatts of electric power, of which only a little more than 3 million kilowatts are now installed. There are possibilities of reclaiming many more acres of land by irrigation, as they may be needed, in addition to the 4 million acres now irrigated. More than 40 percent of the Nation's saw timber and many important minerals, including 60 percent of our known phosphate reserves, are in the region. Properly developed and conserved, the resources of the Columbia Valley region can furnish enormous benefits to the people living there and to the Nation as a whole.

The Pacific Northwest has been developing very rapidly in recent years. The population has jumped 37 percent since 1940. The tonnage of agricultural production (not including livestock and livestock products) has risen about 25 percent in Washington, Oregon, and Idaho between 1940 and 1947. Total income payments have increased 200 percent since before the war in those three States, as compared to 150 percent for the country as a whole. The per capita income is among the highest in the Nation. These are signs of the progressive energy of the people of the region, and of the growth that can occur there.

However, this growth will not take place to the extent necessary to provide adequate employment for the growing population unless there is a steady program of invest-

ment in the development of basic resources in accordance with broadly conceived conservation and development plans.

The activities of the Federal Government have already been of great help. Bonneville and Grand Coulee Dams and the Bonneville power system, begun before the war, made possible the tremendous war and postwar expansion in population and in industry. Industrial development in aluminum, electro-chemical and electro-metallurgical industries, atomic energy, phosphates, and other lines is going forward rapidly. Each of these requires large amounts of low-cost power, in the production of which the Columbia River and its tributaries offer greater possibilities than any other river system in the country. Continued industrial progress depends upon turning these hydroelectric power potentialities into realities, since the present power supply is far short of the demand, and the region has no significant resources of coal or petroleum.

But far more than power is involved in the further development of the Columbia River for useful purposes. The disastrous flood of 1948 showed how much needs to be done, both in the river and on the land in the watershed, to reduce potential flood damage. The first irrigation water will soon be brought to the thirsty land in the Columbia Basin Project below Grand Coulee Dam, and other irrigation projects are possible. The important lower Columbia fisheries program, to adjust the salmon fishing industry to the dam construction program, needs to be pushed forward. The use of the river for low-cost transportation of bulk goods can be greatly expanded.

Various Federal agencies are now at work on these phases of river development, and a considerable amount of competent planning has already been done. In particular, the Corps of Engineers and the Bureau of Reclamation have jointly worked out the framework for a comprehensive program of dam-building. McNary and Hungry Horse dams are now under construction, and others are about to be started to meet urgent needs.

So far as river development is concerned, the task ahead is twofold. Present plans and schedules should be incorporated in a more inclusive, better balanced river development program. And a unified operating system must be established for the many facilities already built or to be constructed. These objectives require better organizational arrangements than we now have.

Furthermore, a great deal needs to be done to bring the land, forest, and mineral activities of the Federal Government into step with the water development program. It is questionable economy to spend millions of dollars for dams as part of a flood control scheme, unless at the same time we are doing all we can in the way of forest and soil conservation and rehabilitation, so that floods will be minimized rather than aggravated. Similarly, it is not sensible to spend millions of dollars to reclaim land, in order to create new farms, if at the same time we fail to take appropriate steps to save existing farm lands from being washed into the rivers.

It is obvious that Federal activities and expenditures concerning land resources need to be planned in relation to those concerning water resources. Here again better organizational arrangements are needed than we now have.

I do not wish to minimize the substantial progress that has been made under the programs as they have been conducted in the past. However, we have now reached a point where the growing scope and complexity of the Federal activities in the region require much greater integration and the full-time attention of top-level administrators

if the tremendous potentialities of the region are to be wisely and rapidly developed.

I therefore recommend that the Congress enact legislation to provide a means for welding together the many Federal activities concerned with the region's resources into a balanced, continuously developing program.

In so doing I recommend that certain Federal activities in the region be consolidated into a single agency, called the Columbia Valley Administration. To that agency should be transferred the Federal programs of constructing and operating physical facilities on the Columbia River and its tributaries for the multiple-purpose conservation and use of the water, including the generation and transmission of power. These programs are now carried on by the Bureau of Reclamation and the Bonneville Power Administration in the Department of the Interior, and by the Corps of Engineers in the Department of the Army. This consolidation will provide not only for a balanced program of constructing dams, irrigation works, power transmission lines and other facilities, but also for a workable operating plan for using these facilities simultaneously for flood control, navigation, power generation and transmission, fish protection, and other purposes. It is plain common sense that the planning and operation of the system of river structures is a job for a single agency.

The Columbia Valley Administration would have the advantages of a sound foundation of basic planning already done, and a large construction program already under way. The bulk of its staff would be secured from existing agencies. It would follow the practice of existing agencies in carrying on its construction work by contract so far as practicable. Under these circumstances, the establishment of the Columbia Valley Administration would result in no hesitation or delay in the development program. Instead, the Administration would carry forward the work already started in a more effective manner.

I do not recommend the consolidation of any other Federal activities in the Columbia Valley Administration. I do recommend, however, that the Administration be given direct responsibility for preparing definite plans and programs for soil and forest conservation, mineral exploration and development, fish and wildlife conservation, and the other aspects of Federal resource activities in the region, and the means to see that those plans and programs move ahead in step. Such plans and programs would be worked out in cooperation with all interested groups—local, State and Federal, private and public.

In this way the activities of the Columbia Valley Administration and other Federal agencies would be properly adjusted to each other and to the activities of State and local agencies, and the maximum degree of joint and cooperative action would result. In this way the activities of all agencies concerned with water, land, forest, mineral, and fish and wildlife resources can be brought into a consistent pattern of conservation and development.

The Columbia River rises in Canada, and part of its watershed is in that country. Under long-standing treaties, the governments of Canada and the United States consult with each other on any development projects which affect international waters, including the Columbia River. The Columbia Valley Administration can work out, in cooperation with appropriate Canadian agencies and in accordance with our treaty obligations, practical means of developing the resources of the Columbia River region, on both sides of the international boundary, on an integrated basis. It is my hope that we will be

able in this respect to demonstrate to the world new ways of achieving mutual benefit through international programs of resource development.

A further vital element in developing a better organization of Federal resource activities in the Columbia Valley region is to bring about a larger degree of local participation. To this end I recommend that the Columbia Valley Administration be required to have its headquarters in the region, easily accessible to the people who live there. I recommend further that the Administration be required, with respect to all phases of its activities, to seek the advice, assistance, and participation of State and local governments, agriculture, labor and business groups, educational institutions and other representative groups concerned. This can best be done, as the Tennessee Valley Authority experience has shown, not through formalistic statutory machinery, but through the establishment by the Administration of a large number of advisory groups for its different activities and in different parts of the region, and through the use, wherever possible, of established local agencies to carry out the development program.

In these various ways the Columbia Valley Administration, while retaining its basic accountability to the President and the Congress, will be far more responsive to the needs and interests and desires of the people of the region than the present subordinate field establishments of the Government can be.

The Columbia Valley Administration should, of course, administer its activities in accordance with Federal policies which apply to the whole country. In seeking decentralization of Federal authority and appropriate flexibility to meet the unique characteristics of the Pacific Northwest, we should not establish different national policies for that region than for the rest of the country.

For example, the Administration should be required, in accordance with long-established Federal policy, to respect existing water rights and the water rights laws of the several States. The Administration should be required to follow the reclamation laws in contracting for the disposition of land or water in reclamation projects. It should be required to give the customary preferences and priorities to public agencies and cooperatives in disposing of electric energy. It should be required to demonstrate the economic soundness of the various projects it undertakes, and to repay reimbursable costs, in accordance with national policies. In short, its activities should harmonize, and not conflict, with Federal policies concerning agriculture, commerce, labor, and the other broad areas of national interest.

Finally, the Columbia Valley Administration should be given, with respect to its revenue-producing activities, appropriate financial and operating flexibility under the business-type budgeting, accounting and auditing methods established by the Government Corporation Control Act. Without detracting from the necessary control of the Administration by the President and the Congress, this will permit more business-like procedures and more steady and economical scheduling of construction and operations than are now possible.

These recommendations I regard as the fundamental elements of a better organization of Federal resource activities in the Pacific Northwest. They involve no expansion of Federal powers, no encroachment on the rights of States, communities or individuals. Instead they are designed to

achieve a more sensible and unified organization of Federal activities, which will result in a more effective program for resource development and more effective participation by the people of the region in shaping that program.

The enactment of legislation embodying these recommendations will bring Government closer to the people—closer to the grass-roots. This means Government action that will be more responsive to the needs of the people.

In recent years the people of our country have come to understand that the progressive growth of our economy and the maintenance of national security depend largely upon the wise use of our natural resources. We have reached overwhelming agreement that our natural resources must not be wastefully exploited, but instead must be developed and used for the benefit of all our people, and at the same time must be conserved so far as possible to preserve their usefulness permanently.

We have been making great strides toward accomplishing these objectives. Private citizens and groups, local and State governments, and the Federal Government have all been doing more and more as we have found new technical methods and new ways of working together.

Much remains to be done. We will need sustained private and public effort over many years, based on a realization of the importance of long-range investment in developing and conserving natural resources. This is an effort in which each citizen should feel a direct responsibility—not only the private owner of resources, whose management of his property has an immediate bearing on the public good, but every other citizen as well, since the welfare of all depends upon the preservation and wise expansion of our resources.

I believe that the establishment of a Columbia Valley Administration along the lines I have recommended will enable the Federal Government to carry out, far more vigorously and effectively than is now the case, its part in the tremendous long-range task of developing and conserving the natural resources of the Pacific Northwest for the increasing welfare of the people.

HARRY S. TRUMAN

NOTE: Shortly after the President's message was sent to the Congress, a number of bills establishing a Columbia Valley Administration and pertaining to the Columbia River basin were introduced in the Senate and the House of Representatives. They were referred to the Senate and House Committees on Public Works. None of the bills introduced was reported out of the Committees.

In the second session of the 81st Congress the Senate defeated an amendment to the rivers, harbors, and flood control bill which authorized initial reclamation and irrigation developments in the Columbia River basin.

78 The President's News Conference of *April* 14, 1949

THE PRESIDENT. I just wanted to say that I have no special announcements to make this morning. Any questions you want to ask? Now, go ahead.

[1.] Q. Is the—are you going to let the Navy go ahead with the plans for that world's biggest aircraft carrier?

THE PRESIDENT. I have no comment on that at this time.

Q. Is an investigation under way on it?

THE PRESIDENT. I have no comment on that.

[2.] Q. Mr. President, the term of the Maritime Commission Chairman expires this week. Do you plan to renominate Admiral Smith?

THE PRESIDENT. I have the matter under consideration, and as soon as I am ready to make the announcement, I will let you know.

Q. Can't hear you.

THE PRESIDENT. He wanted to know if Admiral Smith would be reappointed to the Maritime Commission. I said I had the matter under consideration and would make the announcement at the proper time.

[3.] Q. Mr. President, have you heard of any approaches by the Soviet Government toward settlement of the Berlin crisis?

THE PRESIDENT. I think Mr. Acheson answered that adequately yesterday at his press conference.[1] He sent me a copy of what he said, and that covered the situation.

[4.] Q. Mr. President, you were supposed to receive a telegram last week from Representative Lane of Massachusetts, asking you to do something about the unemployment situation in Lawrence.

THE PRESIDENT. I don't remember having received such a telegram. There may be one in the mill somewhere. I haven't seen it.

[5.] Q. Mr. President, there is a report that Mon Wallgren is considering asking you to withdraw your nomination.[2] If he does, and you do, have you anybody else—— [*Laughter*]

THE PRESIDENT. I don't know what is in Mon's mind. I have no intention of withdrawing his appointment to the Senate.

[6.] Q. Mr. President, in your conference on Tuesday with the four Massachusetts Members of the House, did that restore peace and harmony to the Massachusetts delegation?

THE PRESIDENT. Well, I suppose so. I don't think there was ever any necessity for the restoration of peace and harmony. I think they have always been at peace and harmony. I had a very pleasant meeting with those four young gentlemen—all Democrats.

[7.] Q. Mr. President, yesterday the Foreign Minister of Turkey came in to see you. Could you say whether you discussed a Mediterranean Pact, similar to the North Atlantic Pact?

THE PRESIDENT. The Foreign Minister of Turkey came in to pay a courtesy call on the President of the United States, and he delivered to me a letter of felicitations from the President of Turkey, and that's all that took place.

You started to ask a question, what was it?

[8.] Q. I wanted to ask you, sir, whether any decision has been reached on the Mexican proposal for a loan for oil development?

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[1] According to newspaper reports Secretary Acheson declared at his news conference on April 13 that official avenues of communication were still open for Russia if she wanted to discuss lifting the Berlin blockade and undertake four-power talks on Germany, but he made it clear that the blockade must be lifted in advance of general discussions on Germany.

He made this position known in replying to questions concerning rumors in Europe that the Soviet Union had been extending "feelers" on a solution of the blockade and the German question.

Mr. Acheson said that the attitude of the United States Government toward the blockade as an obstacle to four-power talks on Germany had been stated many times, both by himself and by his predecessor, Gen. George C. Marshall.

[2] On February 3, 1949, the President had nominated Mon C. Wallgren, former Governor of the State of Washington, to be Chairman of the National Security Resources Board.

On March 15 the Senate Armed Services Committee rejected the nomination. For the Committee hearings see "Hearings Before the Committee on Armed Services, United States Senate, on the Nomination of Mon C. Wallgren to be Chairman of the National Security Resources Board" (Government Printing Office: 1949, 240 pp.).

On May 17 the White House released an exchange of letters between the President and Mr. Wallgren in which the latter requested that his name be withdrawn. See Item 100.

THE PRESIDENT. Not that I know of.

Q. Any in sight?

THE PRESIDENT. I can't answer the question. The negotiations have not taken place in my office.

[9.] Q. Mr. President, have you under consideration any proposals for the Ambassadors to either Paris—either France or Belgium?

THE PRESIDENT. The Secretary of State and I are discussing the appointment of Ambassadors. We have come to no firm decision as yet for any of those places.

Q. What about Moscow, sir? Anything you can say about that?

THE PRESIDENT. Nothing I can say about it at this time. Whenever we are ready, I will make the announcement, so that you will all have it at once.

[10.] Q. Mr. President, did you and Mr. Fitzpatrick discuss the possible resignation of Senator Wagner from the——

THE PRESIDENT. We did not.

Q. Could you say what you and Mr. Fitzpatrick talked about?

THE PRESIDENT. We talked about politics in the great State of New York. That's what the State Chairman usually talks about with the President of the United States, and he usually is always very anxious to know if there are any good jobs loose. [*Laughter*] That is principally what we talked about.

[11.] Q. Mr. President, anything on Royall or Sullivan yet?

THE PRESIDENT. No, not yet.

[12.] Q. Mr. President, do you contemplate a special message on the arms implementation of the North Atlantic Treaty?

THE PRESIDENT. That will come at the proper time. I am not ready to make the announcement on it as yet.

Q. When the announcement is made, do you expect it might come in the form of a special message?

THE PRESIDENT. I will have to answer that question when it comes around. I can't answer it this morning.

[13.] Q. Have you decided when you are going to ask Congress to extend Regulation W?

THE PRESIDENT. Regulation W, I think, runs a year yet.

Q. Expires June 30th.

THE PRESIDENT. No—I think the request has been made for its extension, and that request still stands.

[14.] Q. Mr. President, I notice you put in a Columbia Valley Authority recommendation yesterday.

THE PRESIDENT. That's right.

Q. Is there anything that is planned for the St. Lawrence Valley?

THE PRESIDENT. The St. Lawrence Valley is a different proposition. That is a matter that has to be worked out between Canada and the United States, and in times past we have reached certain agreements on the St. Lawrence, which I think will probably be just the same as they were before.

Q. Mr. President, do you plan to send a similar message on the MVA?

THE PRESIDENT. Not at the present time.

[15.] Q. Mr. President, I believe you said "No, not yet" on the question about Mr. Royall and Mr. Sullivan?

THE PRESIDENT. Whenever it comes time to make the announcement on that—what I intended to imply was that I will make the announcement so that everybody will have it at once, if an announcement is necessary.

Q. Could I—could you say whether or not Mr. Royall or Mr. Sullivan have submitted their resignations?

THE PRESIDENT. Every man in the Government has submitted a resignation. They submitted their resignations along with the Ambassadors and all the rest of the Secretaries, and Under Secretaries, and Assistant

Secretaries, and all the appointive officers. I have a drawer full of them.

Q. But nothing beyond that?

THE PRESIDENT. No.

Q. Are they going to leave the Cabinet soon, sir?

THE PRESIDENT. I will answer that question when the time comes for it. I can't answer it this morning.

[16.] Q. Mr. President, on this alphabet business, what in the devil is Regulation W? [*Laughter*]

THE PRESIDENT. Regulation W has to do with a regulation on credit, for the people who buy cars on credit, and who make furniture purchases on credit, and things of that sort. It requires a certain percentage to be paid down on the purchase, and it was somewhat eased with regard to car purchases not long ago. I think that is probably what brought up the question.

[17.] Q. Mr. President, have you been briefed on the speech made in the House yesterday by Representative Cannon on air power?

THE PRESIDENT. No, I haven't, and I haven't had time to read the Congressional Record.

Q. I thought perhaps you had been briefed on it because it has attracted a great deal of attention?

THE PRESIDENT. I heard something about it, but I haven't read the speech, and I haven't been briefed on it.

Q. You aren't ready to comment on it yet?

THE PRESIDENT. No. I don't want to comment on it.

[18.] Q. A $600 million supplemental request for the Veterans Administration came up a couple of days ago——

THE PRESIDENT. I think it was $540 million.

Q. I thought it was 595.

THE PRESIDENT. Well, whatever it is—we won't quibble over $50 million. [*Laughter*]

Q. I have two questions. The first is whether that will increase the prospective deficit by that much?

THE PRESIDENT. Certainly it will.

Q. The second question, sir, is whether the same circumstances that prompted that supplemental request will apply on next year's Veterans Administration?

THE PRESIDENT. Well, I hope not. I hope not. I hope that the next time it is necessary to make that estimate, the budget will come more closer to it than it did this time.

Q. You don't plan any supplementals then?

THE PRESIDENT. Not at the present time, but I can't tell what the conditions will be then.[3]

[3] On the same day the White House issued the following statement clarifying the effect of the supplemental estimate for the Veterans Administration upon the budget for fiscal year 1949:

"Although the supplemental estimate for readjustment benefits will increase expenditures for this program of the Veterans Administration, its effect upon total expenditures for the fiscal year 1949 must be considered in relation to other Government programs.

"Out of the $595,890,000 supplemental, $323,193,891 had already been included in the January budget as a supplemental for fiscal year 1949. The remaining $272,696,109 thus represents an increase over the original appropriation estimates for readjustment benefits. While expenditures for readjustment benefits will thus be somewhat higher than estimated last January, there are offsetting decreases estimated for other programs.

"A recent review of expenditures indicates that within the total of expenditures some items are now running at a higher rate and others at a lower rate than estimated in January. For example, expenditures for ECA and for stockpiling are at a somewhat lower rate than previously estimated, but on the other hand expenditures for veterans' programs and price support are running at a higher rate.

"These differences, however, almost offset each other and there appear to be no changes of sufficient significance to cause a revision of the January estimate of a $600 million deficit for the fiscal year 1949."

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're entirely welcome.

NOTE: President Truman's one hundred and seventy-sixth news conference was held in his office at the White House at 10:30 a.m. on Thursday, April 14, 1949.

79 Statement by the President Commending the National Capital Sesquicentennial Commission. *April* 15, 1949

IN MARCH 1948, at the first meeting of the National Capital Sesquicentennial Commission, which was created by Congress to plan the celebration of the 150th birthday anniversary of our Nation's Capital, I said: "It is a matter of importance to all citizens of the United States and a symbol to freedom-loving people everywhere." That statement has even more pertinent application now than a year ago.

The Commission, under the authority granted to it by the Congress, has created a sound program for the observance of this important event in our American history—one which I believe will bring home to every American, and to the world, the full significance of our great heritage of freedom.

I believe the exposition planned by the Commission offers a timely opportunity for all elements of our national life to demonstrate the achievements of our free enterprise system, on a site in the heart of the Capital. I hope that all our States and Territories, industry, labor, and all Government agencies and departments will respond wholeheartedly to our invitation to participate.

I can think of no more appropriate name for this important celebration than the Freedom Fair—and I urge all Americans to help in making it a symbol of America's faith in the democratic principles upon which our Nation was founded.

NOTE: The National Capital Sesquicentennial Commission was established in 1947 (61 Stat. 396). At the time of the President's statement, however, Congress had not appropriated funds for the celebration, scheduled to begin in April 1950, and the House Appropriations Committee had stricken from the budget the item relating to the sesquicentennial (see Item 72 above). Funds were provided in a supplemental appropriations bill approved October 14, 1949 (63 Stat. 872).

For the President's remarks at the first meeting of the National Capital Sesquicentennial Commission on March 8, 1948, see 1948 volume, this series, Item 47.

80 Remarks to Members of the National Conference of Business Paper Editors. *April* 15, 1949

THE PRESIDENT [*replying to a request that he say a few words about the North Atlantic Pact and the St. Lawrence Seaway*]. Well, Paul,[1] it seems to me that the North Atlantic Pact has been amply discussed and will be more thoroughly discussed in the Senate of the United States in a short time. There is very little I can add to what I have already said in the message to Congress on the North Atlantic Pact, but if you are interested, I will give you a mimeographed copy! [*Laughter*]

There has always been a tremendous amount of conversation about the St.

[1] Paul Wooton, president of the National Conference of Business Paper Editors.

Lawrence Waterway, or Seaway, or Power Project, or whatever you want to call it, and there will be a great deal more talk on that subject when I present the matter formally to the Congress.

And there is another project in which Canada and the United States are jointly interested, and that is the Bay of Fundy Project. The Canadians have come across out of their survey fund, but the United States Congress has been a little balky about getting that fund out. As soon as I can get that fund, why we will go to work on it.

You know, I have always been interested in the relationship between our northern neighbor and ourselves, because it is an ideal situation. It is one that has prevailed for more than a hundred years, ever since old Daniel Webster and Lord Ashburton had a meeting over here near Lafayette Square in the Ashburton House—which is still standing—to discuss the situation of the boundary between the United States and Canada from Lake Superior west. And old Lord Ashburton and old Dan came to the conclusion that that part of the country wasn't worth anything, anyway—and this was after they had a few good cocktails—and they took a ruler and ran it down from the middle of Lake Superior and said you take this and we will take this. And it has turned out to be a very satisfactory settlement ever since. So far as our relations are concerned, I think it is ideal.

One of the things I like to point to with pride is that while we, the United States, are considered the most powerful nation in the world at the present time, as a result of the last war, our neighbors on the north and to the south are not afraid of us. It is not necessary for us to keep a military force on either border to keep the peace. It is not necessary for either one of our neighbors to be in the least bit nervous about what we may want to do to them. They are most likely to think what can we do *for* them. And that is the way we want them to feel.

I appreciate the business magazines and editors and publishers wanting to come in to see the President of the United States. I think it has got to be a habit, hasn't it, Paul?

Mr. Wooton: Yes, Mr. President, you have been very kind to us.

THE PRESIDENT. Every year since I have been President of the United States, I have had it in mind to explain to some of you what the Budget of the United States stands for, but since this is a joint affair between Canada and the United States, maybe I had better not talk about the Budget of the United States at the present time. Some other time, maybe, I will discuss that with you, but I want to assure you that I appreciate your wanting to come in.

It is a pleasure for me to meet all of you again, and to meet all the members from Canada, and I hope that you will have a successful meeting and that your publications will continue to thrive and prosper. I have seen nearly every single one of them, except those from Canada—and I like to read the advertising! [*Laughter*]

NOTE: The President spoke in his office at the White House at 12:30 p.m. The conference is carried in the White House Official Reporter's records as the President's one hundred and seventy-seventh news conference.

81 Statement by the President Making Public the Report of the Commission on Labor Relations in Atomic Energy Installations. *April* 18, 1949

ON September 3, 1948, I appointed a special commission of three experts in labor-management relations to make a study of the problem of peaceful and orderly settlement of labor disputes in Government-owned, privately-operated atomic energy installations.

The members of the special commission, William H. Davis, chairman, Aaron Horvitz, and Edwin E. Witte, consulted with labor, management, and the Atomic Energy Commission. Their report, submitted to me today, emphasizes the special responsibility of management and labor in all Government-owned, privately-operated atomic energy installations to seek in every way by voluntary procedures and mutual agreement the settlement of disputes affecting vital operations.

It is the opinion of the Commission that mutual acceptance by both labor and management of this special responsibility will permit settlement of differences through free collective bargaining without interruption of production.

To fortify the principle of free collective bargaining, and to help adapt it to the special conditions of the atomic energy industry, the Commission recommends the establishment of a Labor Relations Panel appointed by the President for the atomic energy programs.

The method suggested would not be a substitute for collective bargaining. The Commission emphasizes that the panel would be effective only if its help is invoked infrequently and in the most difficult cases. It is up to labor and management to settle their own disputes through conscientious bargaining and use of existing conciliation services.

No special legislation is necessary to carry out the recommendations of the report. I shall give careful consideration to the recommendations.

Because of the importance of the report, I am making it public at this time. I commend each member of the Commission for the time and effort given in the public interest to this important task.

NOTE: The President's Commission on Labor Relations in Atomic Energy Installations was appointed as a result of the labor dispute at the Oak Ridge National Laboratory (see 1948 volume, this series, Item 140). The Commission's report is dated April 1949 (Government Printing Office, 13 pp.).

The report proposed as a mediation agency an Atomic Energy Labor Relations Panel. The Panel was to take jurisdiction only after collective bargaining and the normal processes of conciliation, including the Federal Conciliation Service, had failed to bring about a settlement; it could make recommendations but they were not to be regarded as compulsory.

In recommending that a Panel of three impartial members be established the report suggested that this procedure be given a trial period of 2 or possibly 3 years, subject to termination by the Atomic Energy Commission at any time. The Panel members were to be appointed by the President from nominations submitted to him by the Atomic Energy Commission.

For the statement by the President upon appointing William H. Davis as Chairman of the Atomic Energy Labor Relations Panel, see Item 87.

82 Address and Remarks at a Dinner Honoring Volunteers in the Savings Bond Campaign. *April* 19, 1949

Mr. Toastmaster, George Jessel, Mr. Secretary of the Treasury, Mr. Chairman, and good people who are volunteering, and all those who are being paid, and those who are working, anyway, for this bond drive:

Tonight in Washington, and in the State capitals across the Nation, we have gathered to honor the 3 million volunteers who are leaders in the national savings bond program. These good Americans have volunteered to devote their time and their effort to the sale of savings bonds from May the 16th, when the Opportunity Bond Drive opens, until June 30, when the bond drive ends.

In a few weeks, our 3 million bond salesmen will be joined by another group of volunteers. Two hundred and fifty thousand newsboys will ring the Nation's doorbells, bringing the message of the Opportunity Drive into 12 million American homes. I ask you to welcome these carrier boys to your homes and give them the encouragement they deserve as our youngest and best salesmen. This campaign is an opportunity for them, just as it is an opportunity for all of us, to help ourselves and our country at the same time.

The name "Opportunity Bond Drive" is well chosen. The United States has always been a land of opportunity, and this bond drive will help to keep it a land of opportunity.

From the very start, the buyers of United States savings bonds have been purchasing opportunity with every bond. They have been buying the opportunity to thrive and prosper. They have been buying hope—new homes—a chance to go into business—a chance to buy a farm—to face the years ahead with confidence and security. Every bond they have bought has given them that much more reason to feel secure about the future—their own and their country's.

We know that we cannot have a sound and secure Nation unless security is the common possession of all our people. Farmer, factory worker, banker, merchant, schoolteacher, housewife—all are buying security for themselves and for each other when they buy savings bonds.

Savings bonds mean more than freedom from financial worries. They signify that the owner is an active participant in the affairs of his Government, as every citizen should be. A savings bond is your certificate that you have a share in your country. And when a great many people own those certificates, it makes this a better country.

Today there are $48 billion worth of savings bonds in the hands of individuals—folks in little towns, on farms, in great metropolitan areas. Think of what this means in terms of your own hometown. Think how the savings bonds owned by your friends and neighbors can help them meet personal emergencies that may lie ahead. Think of the new homes this money will build—the youngsters who will be sent through school—the men and women whose later years will be made happier because some part of this $48 billion is theirs.

These billions of dollars in bonds are an assurance of the well-being of our Nation and of the happiness for our people. That assurance will be increased by the success of the Opportunity Bond Drive.

To all of you volunteers who will carry this drive over the top, I bring the heartfelt thanks of your countrymen. The job ahead of you is a big one. It will take all the effort that each of you can give. I know that you

will undertake this task with the enthusiasm and the determination which mark your devotion to the public good.

We have a White House Correspondents' Association presided over by Mr. Ross, and I promised Mr. Ross faithfully that my remarks would be confined to the manuscript, which I have just read.

I know this, though, that if that beautiful young lady, Miss Jane Pickens, would sing on the radio for this bond drive, it would sell a great many more bonds—I know it would sell *me* a lot more—than listening to me speak.

I am glad you picked out a covered wagon for the Opportunity Bond Drive. They used to make these covered wagons in Independence. They made some in New York, some in Wisconsin, and a few in St. Louis, but they made most of these wagons that started out across the western plains in the 1840's and 1850's in Independence and Westport, which is now part of Kansas City. Kansas City is a suburb of Independence, as you know. And those wagons took the pioneers through to open up the West.

I was told once that when the Comstock gold was discovered, one old miner, with $40,000 worth of gold that he didn't know what to do with, went to the Palace Hotel in San Francisco and ate $40 worth of fried eggs in 10 days. Now the Palace Hotel sends us this covered wagon made of sugar. There was a time in those days when that sugar right there would have been worth $40 worth of fried eggs in 10 days. I am glad that John is going to send it out to the hospital, because I know that those young children will appreciate it, not only appreciate looking at it, but I can visualize what they will do to it when they get their hands on it.

I hope that every one of you will do what you have always done—and I know that you will—put this bond drive over the top in a greater manner than you have ever done in the past. It is necessary that we continue to instruct the citizens of this great Nation that an anchor to the windward is the safest thing they can have in prosperous times, and in times that are not prosperous.

A savings bond endorsed by the United States Government is the safest investment in the world today. There is none other to equal it. We ourselves make that the safest—the people. The citizens of any country are its backbone, and really what make the country great.

This Nation now is making a record in the history of the world, and by your effort to make this engagement which you have undertaken the usual success, we will continue this great Nation on the road to peace in the world, and prosperity at home.

Thank you very much.

NOTE: The President spoke at 10 p.m. at the Statler Hotel in Washington. In his opening words he referred to George Jessel, toastmaster for the dinner, John W. Snyder, Secretary of the Treasury, and Vernon L. Clark, National Director of the Savings Bonds Division, Department of the Treasury, who served as chairman of the meeting.

Attending the dinner were 400 members of the National Advisory Committee of the savings bond program, including representatives of banking, industry, labor, news media, agriculture, education, and fraternal and civic organizations.

The address was carried on a nationwide radio broadcast. The extemporaneous remarks which followed the address were not carried over the air.

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83 Remarks to Members of the Associated Church Press. *April* 21, 1949

Dr. Pruden:

I appreciate your remarks, and I hope that I have not been a liability to the First Baptist Church.

You know, the President has to be very careful, when he goes to church, that he goes to church for the purpose of worshiping God and not for the purpose of being a circus. A great many people, if they find that the President, not Harry Truman, but the President, is going to be in church, they will go to church. Well, that is not the right frame of mind in which to go to church, and I don't cater to that sort of program. I go because I want to go and because I think I ought to go, and not for the purpose of making a show. The First Baptist Church treats me just the way I want to be treated.

I can't go every Sunday, because the burdens of this office are so great that I have to put in an average of 16 or 17 hours a day in order to keep abreast of what is going on.

I am glad to welcome you here to this Capital City, and I hope that you have had a constructive and helpful meeting, and that you will continue to have a successful press that will tend to improve the moral standards of the United States of America and of the world.

We are working for permanent peace in the world. We have no ambitions to control any country or to tell any country how it ought to run its internal affairs. We believe in freedom of expression, in freedom of worship, and the right to go where we please, if it does not injure anybody else when we do that. That's all in the world that the foreign policy of the United States amounts to.

NOTE: The President spoke at the White House. His opening words referred to Rev. Edward Hughes Pruden, pastor of the First Baptist Church of Washington, the church attended by the President.

84 The President's News Conference of *April* 21, 1949

THE PRESIDENT. I have an announcement or two this time.

[1.] On Monday, I am having an official luncheon for the President of Israel, Dr. Chaim Weizmann.

And this morning I signed an appointment for David K. E. Bruce of Virginia, to be Ambassador to France. And the Honorable Jeff Caffery is coming back to the United States and will be assigned another post at a later date.

And, I accepted the resignation of the Secretary of the Army this morning; and the exchange of letters will be available to you in mimeographed form as soon as this conference is over.[1]

Now I am ready for questions.

[2.] Q. Mr. President, the first question would be, naturally, who is going to succeed Mr. Royall? Is that determined yet?

THE PRESIDENT. I can't tell you yet. If I had known that I would have told you right away, Tony.[2]

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[1] Kenneth C. Royall served as Secretary of the Army from July 21, 1947, through April 27, 1949. His letter of resignation and the President's reply were released by the White House on April 21.

[2] Ernest B. Vaccaro of the Associated Press.

Q. Will there be an Acting Secretary in the meantime, or is that automatic——

THE PRESIDENT. The situation will automatically take care of itself, until somebody is appointed. I think probably it's the Under Secretary. If not, then the Assistant Secretary will act.

[3.] Q. Mr. President, there have been various stories recently that Mr. McCloy has been asked to take a position as High Commissioner, or under some other title, for Germany. Could you tell us whether that position has been offered to him?

THE PRESIDENT. I can't comment on that at the present time.[3]

[4.] Q. Mr. President, who will be succeeding Mr. Bruce on the ECA?

THE PRESIDENT. That has not been decided as yet.

Q. Is Barry Bingham being considered for that?

THE PRESIDENT. Several people under consideration—among them Barry Bingham.

[5.] Q. Mr. President, reports off the Hill this afternoon are that Mr. Acheson told the Senate Foreign Relations Committee that the sum of the arms implementation plan is one billion, four. Is that approximately right, sir?

THE PRESIDENT. Mr. Acheson had a confidential interview with the Members of the Foreign Relations Committee of the Senate, and I cannot comment on any leaks. [*Laughter*]

[6.] Q. Mr. President, has any final decision been reached on Mexico's request for an oil development loan?

THE PRESIDENT. The matter is under consideration, and is still under consideration.

[7.] Q. Mr. President, is it administration policy to keep the figures on the armament program in the category of executive

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[3] On May 18 the President announced that he was appointing John J. McCloy to be United States High Commissioner for Germany and Chief of Mission. Mr. McCloy had been serving as President of the International Bank for Reconstruction and Development.

The White House release stated that his appointment grew out of the Washington meeting of the Foreign Ministers of the United Kingdom and France with the Secretary of State at which agreement was reached on the tripartite control machinery for West Germany.

The release described Mr. McCloy's duties as follows:

"As United States High Commissioner, Mr. McCloy will be the supreme United States authority in Germany. Subject to consultation with and ultimate direction by the President, he will be under the immediate supervision and direction of the Secretary of State. He will have the authority to exercise all the governmental functions of the United States in Germany, other than the Command of the United States Occupation Forces. He will represent the United States on the Allied High Commission for Germany (United States-United Kingdom-France) when established and will exercise the appropriate functions of a Chief of Mission, Class One, within the meaning of the Foreign Service Act of August 13, 1946.

"Subject to consultation with and ultimate direction by the President, Mr. McCloy will be the representative of the Economic Cooperation Administration in all its relations and actions with respect to Germany. As regards these functions he will be under the immediate supervision and direction of the Administrator for Economic Cooperation (Mr. Hoffman) and the coordination of the United States Special Representative in Europe (Mr. Harriman). Mr. McCloy will be assisted by a Chief of Special Mission to be appointed by Mr. Hoffman, who will have the rank of Minister and act under the immediate supervision and direction of the United States High Commissioner.

"On military matters, the Military Commander will continue to receive instructions directly from the Joint Chiefs of Staff. However, the High Commissioner will be authorized to direct the United States Commanding General to intervene for the maintenance of law and order and to take such other action as is required to support United States policy in Germany. During the period prior to the transfer of military government responsibility from the Secretary of Defense to the Secretary of State, the High Commissioner will also be the Military Governor of the United States Zone in Germany. In this capacity he will be under the immediate supervision of the Secretary of Defense, subject of course to consultation with and ultimate direction by the President."

information for some time yet?

THE PRESIDENT. I will answer that question when I get ready to send the request to the Senate. It will be in the regular form, and you will be furnished with a copy, as usual.

[8.] Q. Mr. President, 106 radio stations in the United States are operating on daylight time, through an agreement with Mexico—a gentleman's agreement. Mexico has broken the agreement and has invaded another wave band that they weren't supposed to even touch.

THE PRESIDENT. I know nothing about it, and anyway that's a matter that would have to go through the State Department and the Communications Commission.

[9.] Q. Mr. President, do you anticipate any other changes in the Defense establishment?

THE PRESIDENT. I can't answer that, because I really don't anticipate any serious change—any further major changes immediately. Of course, there are some changes being made in the Government, for the simple reason that it takes an iron man with an elephant hide to hold a Government position nowadays, and the pay is not worth all the ribbing they have to take.

[10.] Q. Mr. President, who is going to replace Tom Clark?

THE PRESIDENT. Nobody. Tom Clark is going to stay where he is.

[11.] Q. Mr. President, you had an important California politician in here today.

THE PRESIDENT. Yes, I did.

Q. Will you support him for the Governorship?

THE PRESIDENT. Senator Luckey [4] is a very fine gentleman. I discussed California politics with him, that's all I have to say about it.

[4] E. George Luckey, California State Senator.

[12.] Q. Mr. President, now that the keel of the new carrier has been laid, can you scotch these rumors that are going around——

THE PRESIDENT. Has it been laid? Has the keel been laid officially? I haven't gone into the matter. I don't know for sure. I wasn't invited to the laying.

[13.] Q. Mr. President, the former Governor of Puerto Rico, Mr. Piñero, is on a trip to South America. Is he on some official mission, or representing you, or have some Government——

THE PRESIDENT. You had better ask him. I don't know. I didn't even know he was in South America. He has got a perfect right to go wherever he pleases in the Western Hemisphere. There's only one place you can't go, and that's behind the Iron Curtain.

[14.] Q. Mr. President, have any peace feelers from Soviet Russia come your way?

THE PRESIDENT. Not my way. I have no comment on that.

[15.] Q. Mr. President, will Weizmann's luncheon be at the Blair House?

THE PRESIDENT. Yes.

[16.] Q. Mr. President, can you comment on the Chinese situation? [5]

THE PRESIDENT. No, I have no comment on it.

[17.] Q. Mr. President, do you plan a radio speech to go with your national health program?

THE PRESIDENT. We have had it under consideration, and it is still under consideration. I will announce it in plenty of time so that all of you will know about it; and I will be sure that each one of you has a mimeographed copy of it, if I decide to do it.

[18.] Q. Mr. President, are you ready

[5] On April 19 the Communists had breached the Yangtze, and on April 21 the Government forces abandoned Nanking.

yet to fill the vacancy on the Atomic Energy Commission?

THE PRESIDENT. Not yet, no. I will announce it just as soon as I can.

Q. Is there likely to be another vacancy?

THE PRESIDENT. I can't answer that because I don't know.

[19.] Q. Mr. President, has Dr. Bacher submitted his resignation?

THE PRESIDENT. Dr. Bacher has submitted his resignation, yes.[6]

Q. Have you persuaded him to stay?

THE PRESIDENT. I haven't been able to as yet.

[20.] Q. Mr. President, what about the chairman of the Maritime Commission, have you any idea when you will fill that?

THE PRESIDENT. I will make an announcement on that very soon.

Q. Does that mean that Admiral Smith will not be reappointed? [7]

THE PRESIDENT. I will make the announcement at a later date.

[21.] Q. Mr. President, could you make any specific comment on the way Louis Johnson has started off his job?

THE PRESIDENT. I think Louis Johnson is doing a good job. I thought he would do a job when I put him in, and I am sure he will.

[22.] Q. Mr. President, you expressed some surprise about the keel being laid for the super-carrier. Has any decision been reached on that?

THE PRESIDENT. No—and the only comment on the thing is right here now.

Q. Well, I mean is it under consideration whether they go ahead with it, or not to go ahead?

THE PRESIDENT. It hasn't been under my consideration.

Q. Well, is it going to be built, sir?

THE PRESIDENT. I can't answer the question.

Q. Mr. President, it will be under consideration some time soon?

THE PRESIDENT. Oh yes, the matter will have to be finally submitted to me, and I will make the decision on it whenever it comes up, as I always do.

[23.] Q. Mr. President, Secretary Tobin said he is convinced that the administration's labor bill would pass both chambers. Have you any comment on that, sir?

THE PRESIDENT. No. I think that the statement of the Secretary of Labor speaks for itself. I have no comment on it.

[24.] Q. Mr. President, if the Soviet Union were, of its own accord, to lift the blockade in Berlin, would the United States in cooperation with the other Western Powers be prepared to consider the possibility of opening the—reopening the German——

THE PRESIDENT. I will cross that bridge when I come to it. You have too many "ifs" in there.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's one hundred and seventy-eighth news conference was held in his office at the White House at 4 p.m. on Thursday, April 21, 1949.

[6] The resignation of Dr. Robert F. Bacher as a member of the Atomic Energy Commission became effective on May 10, 1949. Dr. Bacher's letter of resignation, dated April 15, 1949, was released by the White House on May 9 together with the text of the President's reply.

[7] Vice Adm. William W. Smith served as Chairman of the United States Maritime Commission from May 27, 1946, through April 16, 1949.

85 Special Message to the Congress on the Nation's Health Needs. *April 22, 1949*

To the Congress of the United States:

In a special message to the Congress on November 19, 1945, and in a number of messages since that date, I have recommended the enactment of comprehensive legislation to improve the health of our people.

The issues involved in these recommendations have been debated all over the country—in Congressional hearings, in medical societies, and in public forums. Out of all this discussion has come a large measure of agreement. There has been increasing recognition of the need for positive, planned action to bring adequate health services within the reach of all our people. With respect to most of my recommendations, there is no longer any substantial difference of opinion.

Legislation has already been enacted which is helping substantially to provide better health services and medical care. For example, Federal funds are now being made available to help in building badly needed hospitals. The Federal Government's programs of medical research have been expanded. Additional grants have been made available to the States to aid in establishing and maintaining public health services.

However, the action thus far taken falls far short of our goal of adequate medical care for all our citizens. If we are to deal with the problem realistically and in its true dimensions, action is required on a broader scale.

We are in an era of startling medical progress. The technical resources available to the physician are tremendously greater than a generation ago. But to make these resources effective, he must use much more complicated, more exact equipment. He must turn to specialized laboratories and technicians for help. He must apply new techniques and must secure more effective drugs and appliances.

As a Nation we have not yet succeeded in making the benefits of these scientific advances available to all those who need them. The best hospitals, the finest research laboratories, and the most skillful physicians are of no value to those who cannot obtain their services.

Now that we have the medical knowledge that can bring good health within our reach to a degree heretofore undreamed of, we must improve the means for putting that knowledge to practical use. Good health is the foundation of a nation's strength. It is also the foundation upon which a better standard of living can be built for individuals. To see that our people actually enjoy the good health that medical science knows how to provide is one of the great challenges to our democracy.

Our objective must be two-fold: to make available enough medical services to go around, and to see that everybody has a chance to obtain those services. We cannot attain one part of that objective unless we attain the other as well.

Our needs are plain. We are, and shall be for some time, short of physicians, dentists, nurses, medical technicians and public health workers. We need more hospitals and clinics. Medical personnel and facilities are unevenly located in relation to the need in different parts of the country—and are particularly deficient in rural areas. We need broader, better supported medical research. We need much more attention to preventive health care and more adequate

public health services. Most of all, we need more widespread use of the modern method of paying for medical care through prepaid insurance.

There is, so far as I am aware, no longer any significant disagreement on these basic objectives. And there is general agreement that the financial problem is at the base of our difficulties.

My first recommendation is that the Congress enact legislation providing for a nationwide system of health insurance.

The traditional method of paying for medical care cannot meet the health needs of today. As medical education and practice have become better, they have become more specialized and at the same time more expensive. As treatment has become more expensive, families have found it more and more difficult to meet the extraordinary costs of accidents, serious illness or major surgery. Thus, at the same time that our knowledge of how to provide medical care is at its highest point, more and more people are unable to afford it. It is no longer just the poor who are unable to pay for all the medical care they need—such care is now beyond the means of all but the upper income groups.

This is an anomalous situation. It can and should be met through social insurance. Under such a system, regular contributions to the insurance fund will replace irregular, often overwhelming, family outlays for medical care.

Insurance against the costs of medical care has been growing rapidly in this country in recent years. This growth is proof that our people understand the advantages of health insurance and desire its extension.

Unfortunately, however, voluntary plans have proved inadequate to meet the need. Most voluntary plans give only very limited protection. While some fifty million people now have some form of health insurance, this insurance usually provides only limited protection so far as hospitalization is concerned and in most cases makes no provision at all for other medical services. Only three and one-half million of our people have insurance which provides anything approaching adequate health protection. Most serious of all, since rates in these voluntary plans are not adjusted to incomes, those who need protection most cannot afford to join.

The only fair and effective means to assure adequate medical care through insurance is to build on the pattern of our existing social insurance plans. As in the case of those plans, we should seek to include as many persons as possible within the health insurance system, so that more may benefit, and costs can be more widely shared.

Health insurance is a method of paying for medical care. It will not require doctors to become employees of the Government. It will not disturb the freedom of doctors and hospitals to determine the nature and extent of treatment to be given. It will not interfere with the personal relationship between doctor and patient. Under such a plan, patients will remain free to choose their own doctors, and doctors will remain free to accept or reject patients. Moreover, patients, doctors, and hospitals will remain free to make their own arrangements for care outside the insurance system if they so choose.

The administration of the program should, of course, be decentralized to the greatest possible extent. It is also of the utmost importance that the quality of medical care be adequately safeguarded. Both these objectives can be accomplished in large measure by having the administration of the program in each locality guided by a local group in which the skills and judgment of

local medical personnel are fully represented. Furthermore, the fullest possible use should be made of the medical schools and their faculties.

Health insurance will mean that proper medical care will be economically accessible to everyone covered by it, in the country as well as in the city, as a right and not as a medical dole.

It will mean that more people will obtain the preventive care which is so important, and that more people will be able to have better medical care. Thus health insurance will provide an effective demand for the additional doctors, nurses and other medical personnel we need to improve our health. The provision of more doctors and medical personnel goes hand in hand with better arrangements for paying for their services.

My second recommendation, therefore, is that the Congress enact legislation to help medical schools expand. Special financial aid should be provided for the construction of teaching hospitals and other facilities and to help the schools cover the cost of larger enrollments. At the same time, scholarship aid should be provided for good students who might otherwise lack the means to undertake the long period of professional training.

Today we have about 190,000 active physicians, of whom 145,000 are in private practice. This is not enough. It represents only about 80 per cent of the physicians we require. Unless we take prompt action to expand the medical schools, we shall be no better off ten years from now. We face similar shortages with respect to dentists, nurses, and other professional medical personnel. Obviously, the facilities for professional education will have to be expanded if we are to provide adequate care for our growing population.

Health insurance will have another extremely important result so far as medical personnel are concerned. Since payment of doctors' and other fees will be assured by the insurance system, doctors will be able to practice where they are needed most, without sacrificing income—as too many doctors must now do in rural and low-income areas. Comprehensive health insurance will thus lead to a more equitable distribution of doctors over the country, and we will no longer have the situation where some counties have only one active physician for every three thousand persons, while other counties have five or six.

My third recommendation is that the Federal Government provide increased aid for the construction of hospitals and other medical facilities in communities where they are needed.

In many cases adequate medical treatment can be provided only in hospitals. Under present circumstances, hospitalization is often impossible, both because of the shortage of hospitals and because of inability of the patient to pay the costs of hospital care.

The enactment of health insurance will, of course, permit more of our people to obtain the hospital care they need. Thus health insurance will make it possible to support hospitals in communities where they could not now be supported. At the same time, it will make the present need for hospital construction even more urgent.

The present Federal Hospital Survey and Construction Act, enacted in 1946, represents an important step in a national program to provide more hospitals. Under this Act, expiring in 1951, some funds are provided for the Government to contribute one-third of the construction costs of public and other non-profit hospitals.

I recommend that the Congress extend the duration of this program, increase the funds to be made available, and modify the program so that the Government's share will take account of the varying financial resources of different States.

Furthermore, the program should be broadened to include aid for the establishment of community health centers, diagnostic clinics, and group practice clinics, all of which have proved in recent years to be very effective means of providing better medical care. This aid should be provided in the form of grants to help finance the construction and equipping of public and other non-profit health centers and clinics, and in the form of Government guarantees of loans for the establishment of private facilities, similar to the mortgage guarantees the Government provides for private housing.

Closely related to these measures to increase the availability of private medical care are certain actions we should take to improve the public health preventive and disease-control services, which are now inadequate in most areas and totally lacking in many.

At present, the Government provides grants to assist State and local governments in preventing and controlling certain diseases, and to promote maternal and child health services, services for crippled children, and general public health activities.

My fourth recommendation is that the Congress increase the amount of the Federal grants for these activities, consolidate the existing separate grants insofar as possible, and provide for matching by the States adjusted to their differing financial resources.

Another essential step, if we are to continue to improve our medical care system, is to continue to improve our medical research as more facilities and scientific personnel become available. The Government is already contributing substantially to the advance of medical knowledge by conferring fellowships for research in many specialized fields, by providing grants for research by public and non-profit agencies, and through its own research activities. We must keep alert to every opportunity to add to the program of medical research through new scientific techniques, such as the use of the products of atomic energy, and through the wise and balanced expansion of research into diseases which have not so far been conquered.

These recommendations are interrelated parts of a comprehensive plan for improving the quality of medical care and making such care more completely available to our people. They present a sensible and realistic program of action, which complements my recommendations for extending and improving the social security system, including the provision of insurance against loss of workers' incomes during periods of sickness or disability.

We should lose no time in making a full-scale beginning on all parts of our health program. At the same time that we are putting health insurance into operation, we should be establishing the hospitals and clinics, and training the medical personnel, that the insurance system will enable us to afford. We cannot, of course, achieve our goals fully until the system has been in operation for some time. That fact emphasizes the need for early legislative action.

Many people are concerned about the cost of a national health program. The truth is that it will save a great deal more than it costs. We are already paying about four per cent of our national income for health care. More and better care can be obtained for this same amount of money under the

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program I am recommending. Furthermore, we can and should invest additional amounts in an adequate health program—for the additional investment will more than pay for itself.

The real cost of our present inadequate medical care is not measured merely by doctors' bills and hospital bills. The real cost to society is in unnecessary human suffering and the yearly loss of hundreds of millions of productive working days. To the individual the real costs are the shattering of family budgets, the disruption of family life, the suffering and disabilities, the permanent physical impairments left by crippling diseases, and the deaths each year of tens of thousands of persons who might have lived. This is the price we are now paying for inadequate medical care.

It is plain common sense that we should not permit these needless costs to continue when we have it within our power to reduce them with a practical health program. Where there are differences remaining as to the details of the program, we should not permit these differences to stand in the way of our going forward. They should be threshed out with honesty and tolerance, as is our democratic fashion. We should enact the best possible program and then all of us should get behind it to make it work.

We are striving in this country to see that the strength and flexibility of our political and economic institutions are used to bring the greatest possible good to our people. I consider this health program as part of that endeavor—to adjust to modern conditions without losing traditional values, to bring to the people of this country the full enjoyment of the benefits which our freedom makes possible.

HARRY S. TRUMAN

NOTE: On October 25, 1949, the President approved a bill "to amend the Hospital Survey and Construction Act (title VI of the Public Health Service Act), to extend its duration and provide greater financial assistance in the construction of hospitals, and for other purposes" (63 Stat. 898).

86 Remarks at a Meeting with the American Society of Newspaper Editors. *April 22, 1949*

Mr. President, and members of this association of editors and publishers:

It is a pleasure to me to see you again. I regret that it was not possible to receive you at the White House. I had hoped you would have been able to come over there. In fact, I thought maybe the weather would clear up and we could have a meeting in the rose garden of the White House, and I would be able to shake hands with each one of you and express my appreciation for what took place last fall. [*Laughter*]

Two and a half years ago, I had planned rehabilitation of the Presidential offices in the White House for the—one of the rehabilitation plans included an auditorium about the size of this, in which it would be possible for the President to hold press conferences and meetings such as this. But some of our local editors scared the Congress to death and they repealed the appropriation, and I didn't get a new auditorium to entertain you. Nevertheless, since the White House has fallen down, we may be able to get it done yet.

I thought maybe you might be interested to some extent in hearing of the fundamental developments in foreign policy which have

taken place since I became President of the United States.

The wars were both going in the Pacific and in the Atlantic on April 12th, when President Roosevelt passed away and I had to assume the duties of President of the United States. The German war finished on May 8th, a month after I took over. And on the 2d of September Japan folded up; and after that it became necessary to try to negotiate a peace in the world that would stand up for generations to come.

All of us thought that every nation in the world was as interested in obtaining a peace that would stand up as we were. It took us a year and a half to find out that that was not the case.

At Potsdam, the atmosphere was as cordial and pleasant as it could possibly be. We negotiated certain settlements of the German problem, and discussed certain approaches in the Japanese Far East problems; and I left there with the idea that we would have no difficulty whatever in attaining a settlement when the war should have been completely won.

And a year and a half after that—nearly a year and a half—we all came to the conclusion that agreements were made by one power for the express purpose of breaking them.

During that period, nearly 30 agreements had been discarded on a unilateral basis, and it became necessary to approach the world's situation from another viewpoint.

We inaugurated in March of 1946 a Greece and Turkey plan, to prevent their being overrun and treated exactly as Romania and Hungary, and Czechoslovakia and Poland had been treated. That was followed by a plan known as the Marshall plan, or European recovery plan, with the idea of replacing the powers in Western Europe in a position where they were economically sound and could to some extent protect themselves from aggression. That plan is in the midst of its consummation now, and I think, as Averell Harriman has told me just today, on the road to a successful conclusion.

A short time ago, we negotiated the Atlantic Pact for the protection of the nations which formed that North Atlantic Pact. And now it becomes our duty to see that those nations are amply armed to meet a situation which might arise, if that can be done. And when we are doing that, we are reaching a condition where it will not be necessary for ourselves to expend so much money on armament.

In 1945, in October, I canceled war appropriations amounting to $60 billion. The budget for that year—1945 to 1946—was $103 billions. And $60 billion of that expenditure was canceled by the President of the United States. It was not spent because it was not necessary at that time to expend it, because Japan had folded up and Germany had folded up.

Now, less than one-third of that canceled expenditure will be necessary to implement the peace of the world. The anticipated expenditures for the whole European recovery program and the rearmament program, and what has already been spent in China in the hopes of rehabilitation of the Chinese Government, will not amount to one-third of that canceled appropriation of 1946. That is a peacetime expenditure, not a wartime expenditure. It is being expended in the hope that we will not have to spend a hundred billion dollars a year for 3 years, as we had to do in the time previous to that.

Nobody reminds you of that fact, when discussion is going on as to what is the

proper thing for the welfare of the United States and this world!

I felt it my duty to bring to your attention that the expenditures that are being made for peace are in the hope that we won't have to make a war expenditure, and that they *have* to be made unless we want to begin to prepare for war.

That is the last thing in the world that I want to do, and the last thing in the world that the American people want to do, and the last thing in the world that the majority of the people in the world want to do, no matter what sort of government they may have.

I wish you would inform yourselves completely on these matters. The Secretary of Defense and the Secretary of State are available to discuss these matters with you, and can give you the details if you want them, because they are not secret, they are a part of the foreign policy of the United States, which is a policy of peace. We went into the United Nations in earnest, and we have endeavored ever since we have been in that organization to make it work, and we shall continue to try to make it work.

I hope you gentlemen will completely inform yourselves on these matters before you come to any conclusion as to what your policy should be with regard to the foreign policy of the United States.

I wish I could take the time to discuss in detail all the ramifications that affect this situation. I could tell you some most interesting things about the happenings in Greece and Turkey, and in the Near East, and in Iran, and in the Indonesian islands, and a number of other things on which you should be fully and completely informed, but time does not allow.

Again I want to apologize to you for not being able to receive you at the White House on account of the weather, and I want to thank you very much for your cordial greeting and for the attention which you have given me.

Mr. Canham: Thank you, Mr. President. This session stands adjourned.

THE PRESIDENT. Thank you very much.

NOTE: President Truman's meeting with the American Society of Newspaper Editors was held in the Congressional Room at the Statler Hotel in Washington at 3:35 p.m. on Friday, April 22, 1949. The meeting is listed in the records of the White House Official Reporter as the President's one hundred and seventy-ninth news conference.

The President was introduced by Erwin D. Canham, president of the American Society of Newspaper Editors, and editor of the Christian Science Monitor.

87 Statement by the President upon appointing William H. Davis as Chairman of the Atomic Energy Labor Relations Panel. *April* 26, 1949

TODAY I have appointed William H. Davis of New York as chairman of the Atomic Energy Labor Relations Panel. Within a few days I expect to name the panel members who will serve with Mr. Davis.

Mr. Davis was chairman of a special commission which recently made a report on atomic energy labor relations. He was chairman of the War Labor Board, and is an expert of wide experience in labor-management relations.

The establishment of the panel was recommended by the special commission after a 7

months' study of labor relations in atomic energy installations. I have studied the excellent report of the special commission, and agree with the Atomic Energy Commission that the recommendations in the report should be adopted as a sound means toward preventing and adjusting labor disputes in this important field.

I am confident that labor and management will seek settlement of disputes in atomic installations by voluntary procedures and mutual agreement, and that they will call upon the panel only as a last resort. Conscientious bargaining and the use of existing conciliation services must minimize the calls upon the panel, for it can be effective only if its help is seldom sought, and then only in the most difficult cases. It is not and must not be a substitute for collective bargaining.

The panel will settle only disputes affecting vital operations in atomic plants, impossible to adjust by collective bargaining and through existing conciliation services. The panel will operate on a part-time basis.

The panel plan is being adopted for a trial period of 2 to 3 years. It is subject to termination at the discretion of the Atomic Energy Commission.

NOTE: The Atomic Energy Labor Relations Panel had its origin in the "Report of the President's Commission on Labor Relations in the Atomic Energy Installations" (see Item 81). The report, which was made public by the President on April 18, 1949, recommended:

"That the Atomic Energy Commission establish a Labor Relations Panel of three impartial members appointed by the President from nominations submitted to him by the Commission.

"That the Panel be empowered to take jurisdiction of any management-labor dispute which collective bargaining and the normal processes of conciliation have failed to resolve and which threatens to interfere with an essential part of the atomic energy program."

On June 4, 1949, the President appointed Dr. Edwin E. Witte, and Mr. Aaron Horvitz to the Atomic Energy Labor Relations Panel.

88 Special Message to the Congress Transmitting the Charter for the International Trade Organization. *April* 28, 1949

To the Congress of the United States:

I submit herewith, for the consideration of the Congress, the Charter for an International Trade Organization, prepared by a conference of the United Nations which met in Havana in 1948, together with a memorandum from the Secretary of State.

The Charter is designed to do two things: to establish a code of international conduct to guide nations in dealing with the fundamental problems of world trade, and to create an agency, within the framework of the United Nations, to help implement this code.

We have learned through bitter experience how necessary it is for nations to approach jointly the task of improving the conditions of world trade.

During the 1930's many nations acted independently, each attempting to gain advantage at the expense of others. The result was a vicious circle—with restrictions by one nation provoking more serious restrictions by other nations in retaliation. The end result was a tremendous drop in the volume of international trade which made the general depression worse and injured all countries.

Since the recent war, though some nations have again acted unilaterally, there has been a general resolve to prevent the vicious circle

of restrictions and to achieve progressively freer trade. To gain this objective, action by many nations is necessary. No one nation alone, and no small group of nations, can have enough impact on the network of obstructions that has been built up.

The United States program of reciprocal trade agreements has been a shining beacon of cooperative action to reduce tariff barriers, and it is vitally necessary that the Reciprocal Trade Agreements Act be extended in full force.

But it is clear that trade agreements alone are not enough. These agreements do not touch certain important obstacles to the expansion of world trade. Subsidies, cartels, and many other devices have important effects in limiting trade or creating disadvantages for one country as compared with another. What is needed is cooperative action to attack the whole range of obstacles that stand in the way of broadening international trade.

The Havana Charter is a major step toward achieving that objective. It was agreed upon by the representatives of fifty-four nations after more than two years of preparatory study and negotiation.

The Charter establishes an international organization, which is essential to continuous and effective international cooperation in the field of trade. The nations accepting membership in the International Trade Organization commit themselves to abide by fair and liberal principles of trade. They agree to take no action which may injure another nation without first making a genuine effort to reach a constructive solution through consultation either directly between themselves or through the Organization. They agree to work together continuously to achieve progressively greater trade and to settle differences with respect to national policies that affect the flow of international commerce.

The Charter is the most comprehensive international economic agreement in history. It goes beyond vague generalities and deals with the real nature of the problems confronting us in the present world situation. While it does not include every detail desired by this Nation's representatives, it does provide a practical, realistic method for progressive action toward the goal of expanding world trade.

The United States can be proud of its leadership in this constructive action to help the nations of the world work their way out of the morass of restriction and discrimination that has gripped international trade ever since the first world war. The alternative to the Charter is economic conflict and shrinking international trade.

This Charter is an integral part of the larger program of international economic reconstruction and development. The great objectives of the European recovery program will be only partially realized unless we achieve a vigorous world trading system. The economic advancement of underdeveloped areas likewise depends very largely upon increasing the international exchange of goods and services. Thus the Charter is an effective step toward improved standards of living throughout the world, toward the growth of production, and toward the maintenance of employment and economic stability. It is fundamental to the progressive, expanding world economy so vital to the increasing welfare and prosperity of the people of the United States.

The great structure of international cooperation that is being erected through the United Nations must rest upon a solid

foundation of continuous cooperation in economic affairs. The Charter for an International Trade Organization is a necessary part of that foundation, along with the special arrangements that have been made in the fields of money and credit, transportation and communications, food and agriculture, labor and health.

As an essential forward step in our foreign policy, I recommend that the Congress authorize the United States to accept membership in the International Trade Organization.

HARRY S. TRUMAN

NOTE: Secretary of State Acheson's memorandum, summarizing the Charter of the International Trade Organization, is printed in Senate Document 61 (81st Cong., 1st sess.) and in the Department of State Bulletin (vol. 20, p. 602). Congress did not authorize the United States to accept membership in the International Trade Organization.

89 The President's News Conference of *April* 28, 1949

THE PRESIDENT. I have got an announcement or two to make this morning.

[1.] Maj. Gen. Philip Fleming, Federal Works Administrator, will be appointed to the Maritime Commission; and when he is confirmed he will be made Chairman of the Maritime Commission. And he goes on that Commission as an independent, with no political affiliations.

Jess Larson, Administrator of the War Assets Administration, will be appointed as Federal Works Administrator, to succeed General Fleming.

Rear Adm. Paul Luther Mather——

Q. Mr. President, you are a little too fast for me.

THE PRESIDENT. Too fast?

Q. What was that——

THE PRESIDENT. Rear Adm. Paul Luther—*Luker*—L-u-k-e-r it is—Mather, Assistant Administrator of the War Assets Administration, will be appointed Administrator of the War Assets Administration.

And Mr. Richard Erwin Dougherty of New York, and Douglas William Orr of Connecticut, members of our—these two men were members of our advisory committee on the safety of the White House—will be appointed as the members of the Commission to Superintend the Construction of the White House. They will work in conjunction with two Senators appointed by the Vice President, and two Representatives appointed by the Speaker.

These two gentlemen are—one of them is an outstanding engineer, and the other one is an outstanding architect.

Q. That is in connection with the reconstruction of the White House?

THE PRESIDENT. Reconstruction of the White House——

Q. Mr. President, may I ask on Paul—relating to Paul Luther—how does he spell that last name?

THE PRESIDENT. His name is Paul L-u-k-e-r Mather—M-a-t-h-e-r.

Q. And he is to be——

THE PRESIDENT. He is to be head of War Assets Administration.

Then, I am sending down a thousand postmasters. They will be submitted to the Senate today. And there will be about that many next week.

[2.] There has been some conversation

about the Navy's activity in Shanghai. I have seen headlines in several papers in which it said the Navy had run out on the civilians in Shanghai.

That is absolutely without foundation in fact. The Navy has done an excellent job in Chinese waters from one end of China to the other. They have made arrangements for the evacuation of all American citizens in China who want to be evacuated. The *President Wilson* left Shanghai yesterday—that is the 28th of April in the Eastern Hemisphere—with vacancies which could have been filled by anyone who wanted to leave.

There are two other President Line steamers, the *President Van Buren* and *President Pierce* available in Shanghai today, and they will probably leave today for any Americans who want to leave. And the Navy is still able to evacuate any people and to protect American citizens, if it becomes necessary, in Shanghai or any other port in China.

That's all, gentlemen. If you have any questions, I will try to answer them.

Q. Mr. President, there are no combat ships in Shanghai, are there?

THE PRESIDENT. Yes. Yes, there are.

Q. Mr. President, in that connection, is it the plan to protest the violation of the United States Embassy in Nanking?

THE PRESIDENT. I don't know that it has been violated, has it? I haven't been officially notified that it has. Not from the Ambassador. I saw it in the paper, but I have had no complaint from the Ambassador.

[3.] Q. Mr. President, can you clear up this Calder situation for us?

THE PRESIDENT. Calder[1] has been under consideration for the appointment as Secretary of War. He is still under consideration.

Q. Well, it was announced yesterday that he had accepted, and now he says he has not?

THE PRESIDENT. *I* didn't make the announcement.

Q. Mr. President, in that same connection, could you tell us who you are considering for Secretary of the Navy?

THE PRESIDENT. There are several people under consideration.

Q. No names?

THE PRESIDENT. No.

Q. Is Mr. Daniels——

Q. Jonathan Daniels one of those?

THE PRESIDENT. Yes, Jonathan Daniels is one of those.

Q. Mr. President, could you tell us what transpired in your conversation with Mr. Daniels yesterday?

THE PRESIDENT. No, I cannot.

[4.] Q. Mr. President, these postmasters, are they postmasters who were held up last year, or is that an entirely new batch?

THE PRESIDENT. Some of them are, the ones that were held up last year. Most of them are new. There are expirations all the time in post offices—and run about 4,000 a year, the appointments do.

[5.] Q. Mr. President, do you expect to discuss the China situation today with Secretary of State Acheson, and Senators Wherry and Bridges?

THE PRESIDENT. If they come in for that purpose, I will discuss it with them.

[6.] Q. Mr. President, do you feel encouraged by the reports you have received thus far on the Malik-Jessup conversations?

THE PRESIDENT. I—what I know is contained in the statement issued by the State

[1] Curtis E. Calder, chairman of the board of the Electric Bond and Share Company.

Department yesterday.[2] I think it is encouraging.

[7.] Q. Mr. President, there seems to be considerable apprehension in the Navy over, one, losing all the Navy air to the Air Force and, two, transfer of all Marine Corps air activity to the Air Force. Can you straighten us out——

THE PRESIDENT. I don't think there is any foundation in fact for either one of those—what is it you call those things?—the columnists do, when they prognosticate? [*Laughter*]

Q. Predictions.

Q. Mr. President, that wasn't a columnist's prognostication, that was Secretary Sullivan's letter.

THE PRESIDENT. I didn't read Secretary Sullivan's letter to the Secretary for Defense. I only read the letter he wrote to me, and I replied to that.

[8.] Q. Mr. President, do you plan to send Congress another message on civil rights?

THE PRESIDENT. I don't think it is necessary. It has been reiterated time and again, and was clearly stated in the message of 1947; and that condition has not changed, so far as I know.

[9.] Q. Mr. President, is there going to be any message or a letter from the White House nailing down the amount of dollars to be appropriated for arming the Western European countries?

THE PRESIDENT. Yes, that has already been approved, and will go down just as soon as the State Department is ready to send it down. I believe the statement was covered very clearly by Acheson before the Foreign Relations Committee. That was shown me, and I approve of what Mr. Acheson said, and——

Q. The figure of 1 billion, 450——

THE PRESIDENT. ——nothing has to be said about a leak this time.

Q. Is the figure of 1 billion, 4 correct?

THE PRESIDENT. Yes.

[10.] Q. Mr. President, have you talked with Mr. Calder in regard to taking that post of——

THE PRESIDENT. Yes, I have. Yes, I have. He came in here especially to talk to me about it.

Q. Did you talk with him yesterday about it?

THE PRESIDENT. No—I don't know—it was 3 or 4 days ago that I did. I don't remember exactly.

Q. Do you think he will take the job?

THE PRESIDENT. I can't answer that question. You had better ask him. I hope he will. He is a very capable man.

[11.] Q. Do you believe the Russians are acting in good faith with the Berlin proposal?

THE PRESIDENT. Yes. If I didn't think so, we wouldn't continue the conversations.

[12.] Q. Mr. President, in view of the recent changes in the economic situation, are you considering any changes in the stabilization program?

THE PRESIDENT. No, I am not.

[13.] Q. In the event that the Embassy has been violated, will there be a protest in the normal course of events, sir?

THE PRESIDENT. Well now, I will attend to that when it comes up. You are asking me a hypothetical question, and I am not admitting that the Embassy has been violated.

[14.] Q. Mr. President, Senator Mc-

[2] The statement on the negotiations between Philip C. Jessup, American Ambassador-at-Large, and Jacob A. Malik, Soviet Ambassador to the United Nations, on the subject of the lifting of the Berlin blockade, was released on April 26, 1949. It is printed in the Department of State Bulletin (vol. 20, p. 590).

Grath yesterday said that he and the group of other leaders conferred with you on patronage matters, and that party loyalty was to be the test for patronage. Can you throw any further light on that conversation with that group yesterday?

THE PRESIDENT. I don't think it is necessary, except to say that Democrats are those people who support the Democratic platform, which is the law of the Democratic Party, and should support that platform after they are elected just the same as they did beforehand in making promises. That is what I am doing.

Q. Will it be in terms of the record on the votes in Congress?

THE PRESIDENT. Yes.

[15.] Q. Mr. President, was the decision to send up the postmaster recommendations reached yesterday at that meeting?

THE PRESIDENT. It has been under consideration for some time.

[16.] Q. Mr. President, would you consider the vote on the Taft-Hartley repeal one of these tests?

THE PRESIDENT. I certainly will.

[17.] Q. Mr. President, there have been reports on the Hill that the administration is sponsoring certain amendments to the Lesinski bill. Do you have any comment——

THE PRESIDENT. The administration bills have been favorably reported before both Committees of the House and the Senate, and that is the administration measure now as it is on the calendar.[3]

[18.] Q. Mr. President, I wonder if you have any comment on the ambushing and killing of Mrs. Quezon of the Philippines, under Communist-led——

THE PRESIDENT. I didn't know about it.

Q. We can't hear those questions.

THE PRESIDENT. They wanted to know if I had any comment on the ambushing and killing of the wife of the former President of the Philippines. That's the first I had heard about it. I didn't know about it. I think it is an awful thing, if it has happened.

[19.] Q. Mr. President, in connection with this patronage session yesterday, it has been reported in some papers this morning that the effect of that would be to deny patronage to the Dixiecrats. Is that true, sir?

THE PRESIDENT. Let's wait and see how the thing works out, then the question will answer itself as we go along.

Reporter: Thank you, sir.

THE PRESIDENT. You're welcome.

NOTE: President Truman's one hundred and eightieth news conference was held in his office at the White House at 10:35 a.m. on Thursday, April 28, 1949.

[3] See the more extended comment on the various bills to replace the Taft-Hartley Act in the news conference of May 5, Item 93.

90 Remarks to the National Association of Radio Farm Directors. *May 2, 1949*

IT IS a pleasure to meet you. The work that you are doing in cooperation with the Secretary of Agriculture has been exceedingly helpful, not only in implementing the farm program but in keeping it going after it has been implemented.

We are working on a farm program that is a real one now, and I know that you are all going to cooperate.

We are trying to arrange things so that there is a balance—a fair balance—between the man who raises the things to eat and

the fiber with which we are clothed, and the man who processes it and the man who uses it. If we have a balance between the producer, the man who does the processing, and the consumer—the processor and the consumer sometimes is the same man—it doesn't make much difference what the prices are, so long as there is a balance between the three groups that is fair and square. That is what we are working for. We want everybody in the country to have a fair share in the prosperity of the United States of America, and we want to make that prosperity continuous. And I think we have got a policy in mind at home to do that, not only for the farmer, but for labor and for industry.

That whole thing is tied into the world situation. It is all one picture. If we ourselves can show how to make our form of government work successfully for all the people, that has its effect on the world situation. If we could just raise the standard of living of the people in Asia and Africa and South America, our prosperity never could cease. Just two percent is all we need to do that. Our ambition is to give all the people everywhere a chance at the good things of life, and we want to do that peaceably.

So, if you help make your own country successful and prosperous, you are helping make the world peaceful and prosperous. And that is all any of us want to see.

I thank you for coming over here, and I appreciate having the chance to meet you. And at 5:30 in the morning I'll be listening to you!

NOTE: The President spoke in his office at the White House at 11:30 a.m. to approximately 100 members of the National Association of Radio Farm Directors who were in Washington for their annual conference with officials of the Department of Agriculture.

There was unusual interest in agricultural matters at this time because of the recent introduction of the Brannan plan. On April 7 Secretary Brannan outlined the plan before a joint session of the House and Senate Committees on Agriculture. The plan provided for an income support standard in place of the previous parity formula, and for direct payments to farmers when prices of certain perishables fell too far below parity. The perishables would be sold to consumers at supply and demand prices.

91 Remarks to Members of the Agricultural Editors Association. *May* 3, 1949

Mr. Secretary, and members of the farm press:

I am most happy to have you here and to meet all of you. I know that you are interested in the welfare of the people who produce the food and clothing from the soil in this country, and I know that you are interested in the farm program.

If I remember correctly, the farm program originated after 1932, and it has been growing and improving ever since. We are still trying to improve and make it more workable, one that will create an equitable distribution of the income of the country between those who work on the farms, those who work in the processing of the farm products, and the manufacturers of the country, and those whom we call the consumers at the other end of the scale. This program is a balanced part of the internal economy of the United States, trying to get the national income so distributed that every segment of the population can have its fair share of that income.

If that is done, we have a prosperous country, and we have a sound economy, and we

can face the rest of the world in a position to attain a peace that will last. That is the objective of the whole business.

I am glad you are here to discuss these questions. I hope you will listen to the Secretary of Agriculture—you no doubt already have—and he can very clearly and easily explain to you the proposals which we are making to the Congress for a continuing farm program.

That was one of the issues in the late campaign, which started in Dexter, Iowa, if I remember correctly, on a Democratic farm program. It's the Democrats always that have had the farm program, and we expect to keep on having that program. So long as we have it, we are sure that the farmers know which side their bread is buttered on, and they will still be with us as they were in this last election.

NOTE: The President spoke in his office at the White House at 11:40 a.m. His opening words "Mr. Secretary" referred to Charles F. Brannan, Secretary of Agriculture. The Brannan plan for stabilizing farm income had recently been introduced (see note to Item 90).

92 Statement by the President Upon Releasing General Clay Following the Agreement to Lift the Berlin Blockade. *May 3, 1949*

FOUR YEARS AGO on March 29, 1945, President Roosevelt announced the selection of Gen. Lucius D. Clay for service in Military Government in Germany. Historically the Army has had a great tradition of constructive achievement in the government of occupied areas, such as Cuba, Puerto Rico, and the Philippines. But nothing that Americans had hitherto been called on to deal with approached the grim prospect presented by the moral and physical collapse of Germany and the resulting unexampled chaos.

General Clay was selected for this task on his record of tireless effort, his firmness and his fairness, his quality as a soldier, and finally his understanding of and devotion to the American spirit of freedom.

On May 15, 1949, I am acceding to his repeated request to be released from this task. Several times before it had been thought that his request could be granted, but in recurring emergencies I felt that his character and abilities were essential to the task in Germany to which we were committed. He could not be spared.

The work of moral and economic reconstruction among the Germans in the Western Zone has proceeded to a point where they are about to obtain a greatly enlarged measure of political and economic responsibility. General Clay has now completed a prodigious task of administration.

As a soldier he has raised the morale and efficiency of our troops in Germany to levels in which he and the country can take justifiable pride.

His name will always be associated with one of the toughest tasks and accomplishments of American history. He deserves and will receive the thanks of the American people.

General Huebner and General Hays, General Clay's military and military government deputies, will carry on his work pending the appointment of a civilian High Commissioner.

93 The President's News Conference of *May* 5, 1949

THE PRESIDENT. [1.] I have only one announcement to make. I am accepting the resignation of Mr. Kenney, the Under Secretary of the Navy.[1] He will serve until his successor is appointed and confirmed. I have no one under consideration for his successor. I will answer that question before it is asked. [*Laughter*]

Q. He will serve until his successor is appointed?

THE PRESIDENT. Yes.

Q. Has he returned from Europe, Mr. President?

THE PRESIDENT. No, he has not. He has been endeavoring to get his resignation accepted ever since the 13th of January.

I am ready for questions.

[2.] Q. How about the District commissionership, Mr. President?

THE PRESIDENT. Yes, I shall reappoint John Russell Young.

Q. When, sir?

THE PRESIDENT. Tomorrow.

[3.] Q. Mr. President, there is a bill, I believe, on the Senate calendar, to implement the Hoover recommendations. Do you have any intention of asking for that reform——

THE PRESIDENT. The reorganization bill is the one that has to be passed before we can do anything with those things—with that Hoover recommendation, except those that require legislation; and legislation has been asked, in those instances.

Q. The general bill on the Senate calendar is the one I had in mind.

THE PRESIDENT. That is the reorganization bill?

Q. Yes.

THE PRESIDENT. Well, I can't force the Senate to pass it. I have asked the "Big Four" [2] every Monday morning how soon they are going to pass the reorganization bill, and they always say right away; but if they don't pass it right away we won't have any business to do, I can tell you that, because that—you have just 60 days for the Congress to act when the reorganization plan goes up. With less than 60 days now, and Congress hasn't time to act, why of course it doesn't apply and you have to do it all over again next year.

[4.] Q. Mr. President, what do you think of the agreement to relax the Berlin blockade?

THE PRESIDENT. Well, of course I am happy that there is a chance to take up where we left off, over 10 months ago.

[5.] Q. Mr. President, in your speech to the farm radio directors,[3] you said it doesn't make much difference what prices are so long as there is a balance between the three groups that is fair, the three groups being the farmer, processor, etc.

THE PRESIDENT. That is quite clear.

Q. What do you mean "doesn't make much difference what prices are"? Couldn't prices go too high?

THE PRESIDENT. So that the distribution of the products themselves is on a fair basis, so that every part and segment of the population get their fair share at a price they can

[1] The President's letter accepting the resignation of W. John Kenney as Under Secretary of the Navy, dated May 5, 1949, was released by the White House on May 6. Mr. Kenney's letter of resignation was released with the President's reply.

[2] Alben Barkley, President of the Senate, Scott Lucas, Senate Majority Leader, Sam Rayburn, Speaker of the House, and John W. McCormack, House Majority Leader.

[3] See Item 90.

afford to pay. That doesn't make any difference about the prices. That means that the situation should be balanced so that farm prices, labor prices, consumer prices are equal.

Q. Yes, but what happens to the people with fixed incomes?

THE PRESIDENT. That's what I am talking about when I say the consumer.

Q. I mean, are you going to have a balance between farmer and consumer prices——

THE PRESIDENT. A fair distribution is what we want. That is what we are after. That is what we have been working for ever since I have been in the Senate. That is what parity means.

Q. Yes. But before you can do it you take the—more than three—intermixed on you——

THE PRESIDENT. Yes, you can't tell one from another.

Q. You have to take the fixed income group, and everybody else. Is that correct?

THE PRESIDENT. That's correct.

Q. So that the schoolteachers and policemen, etc.——

THE PRESIDENT. That's right. We are working right now for a raise in pay for the schoolteacher.

[6.] Q. Mr. President, General Clay said in Germany that he believed that this agreement with Russia might turn out to be only a temporary truce. Do you believe that, or do you believe——

THE PRESIDENT. I have no comment on that. I don't know on what General Clay bases his statement, so I can't comment on it.

Q. It was his farewell press conference.

THE PRESIDENT. I have said all I had to say on the subject.

[7.] Q. Mr. President, do you regard the House action on the labor bill [4] as an administration victory or defeat?

THE PRESIDENT. Yes I do.

Q. Which?

THE PRESIDENT. We have another chance to start over and get the sort of bill we want.

Q. Would you repeat that, sir? We didn't get it.

THE PRESIDENT. We have a chance to start over with the House on the labor bill and may get a bill that we can accept.

[8.] Q. Mr. President, do you feel your warnings on party loyalty have achieved the desired results?

THE PRESIDENT. I think it's working.

[9.] Q. Mr. President, did you approve the Sims substitute [5] which was introduced——

THE PRESIDENT. It wasn't submitted to me for approval.

Q. May I have that question, sir? What was that?

THE PRESIDENT. He wanted to know if I approved the Sims substitute. I said it wasn't submitted to me for approval.

[10.] Q. Mr. President, I was going to ask, there is a report on the Hill that there might be a joint session of the Congress on May 19th to honor the President of Brazil. I don't know——

THE PRESIDENT. There certainly will be, I am sure, because I was told by the "Big Four" that the President of Brazil would be invited to attend a joint session. I know there will be one.

I wasn't going to announce that, because that's a matter that should be announced

[4] In a series of votes on May 3 and May 4 the House of Representatives blocked the bill replacing the Taft-Hartley Act introduced by Representative John Lesinski and favored by the administration.

[5] One of the substitutes for the Lesinski bill offered in the House of Representatives on May 3.

from down there at the other end of the Avenue.

[11.] Q. Mr. President, Mr. Young's reappointment, will that be as President of the Commission——

THE PRESIDENT. He will be appointed—I don't know—you will have to look it up. I can't answer that.

[12.] Q. Mr. President, this is an old chestnut, brought up by recent developments. There has been discussion at Lake Success that the meeting of the foreign ministers [6] might be followed by a meeting of yourself and Generalissimo Stalin and Prime Minister Attlee?

THE PRESIDENT. On what basis would that be? It wouldn't be necessary, anyway, if the foreign ministers reach an agreement. That is all that's necessary.

[13.] Q. Mr. President, would you consider Dwight Morrow of Texas for an ambassadorship?

THE PRESIDENT. I have been asked to consider Dwight Morrow for an ambassadorship——

Q. Which one?

THE PRESIDENT. Yes. I have him under consideration.

Q. Which one, sir?

THE PRESIDENT. I can't tell you. I don't know.

[14.] Q. In connection, sir, with the negotiations on the blockade, has there been any direct communication between you and Prime Minister Stalin?

THE PRESIDENT. There has not. The negotiations have been carried on by Dr. Jessup and Mr. Malik.

[15.] Q. Mr. President, is it getting near train time for a speaking tour on the health program, or the farm program, or——

THE PRESIDENT. No.

Q. ——maybe some other things?

THE PRESIDENT. No. No. I will give you plenty of notice so that you can pack your trunk. [*Laughter*]

Q. Will we need a trunk?

THE PRESIDENT. You needed one last fall. [*More laughter*]

Q. Mr. President, do you mean to infer that we might need it again?

THE PRESIDENT. Well, I can't tell you that. It's a little too early.

[16.] Q. Mr. President, have not the recent events in relation to the labor bill convinced you that you will have to make concessions to get a bill?

THE PRESIDENT. No, they have not, Miss May.[7] You see, this administration runs for 4 years.

Q. Are you willing to wait 4 years to get repeal?

THE PRESIDENT. I will do whatever is necessary to get it repealed. I don't know how long I will have to wait to get it. Everybody knows where I stand on the labor bill, however. My position hasn't changed.

Q. Mr. President, does that mean that you specifically want a certain bill, or that you want any——

THE PRESIDENT. I want the Democrats in the Congress to carry out the promises made in the Democratic platform—that's all I am asking—just as I am trying to carry out mine.

[17.] Q. Mr. President, can you comment on a report published this morning that you and Louis Johnson are in disagreement about the desirability of appointing

[6] The sixth session of the Council of Foreign Ministers held in Paris from May 23 through June 20, 1949. The announced purpose of the meeting was to hold discussions on the situation with regard to Germany.

[7] Mrs. May Craig of the Portland (Maine) Press Herald.

Jonathan Daniels to be Secretary of the Navy?

THE PRESIDENT. I don't know that there is any disagreement on any subject between me and Louis Johnson. That's the first I have heard about it.

[18.] Q. Would you care to be more specific about it? Do you consider the Thomas bill,[8] which is the Lesinski bill, as the labor bill——

THE PRESIDENT. Yes——

Q. Is that your "sina qua non"——

THE PRESIDENT. I think that is a good bill. The Congress has the right to amend the bill, or work on it in any way they see fit. I don't care, because I never comment on any bill until it's up here for me to sign. Then I never hesitate to comment on it one way or the other.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's one hundred and eighty-first news conference was held in his office at the White House at 4 p.m. on Thursday, May 5, 1949.

[8] Senator Elbert Thomas had introduced in the Senate a bill to replace the Taft-Hartley Act which was identical with that introduced in the House of Representatives by Representative John Lesinski.

94 Special Message to the Congress on Reorganization of the Executive Branch of the Government. *May 9, 1949*

To the Congress of the United States:

During the past three months, the Commission on Organization of the Executive Branch, established in July 1947, has submitted a series of reports containing its recommendations on steps which should be taken to improve the organization and operation of the Federal Government. These reports, together with a summary statement now in preparation, are the product of extensive work by distinguished private citizens and members of the Government. They represent a challenge to the achievement of better government based on the fundamentals of sound organization and management. While there will be honest differences of opinion concerning many of the Commission's specific recommendations, I believe that the Commission's work as a whole represents a landmark in the field of Government organization. The highest commendation is due the membership of the Commission.

The Commission has stated—and I believe quite correctly—that the basic requirement for achieving effective management in government is to grant to the men upon whom responsibility is placed by the Constitution and the statutes an adequate measure of authority and flexibility to perform their jobs. To this end, the Commission has proposed that the Chief Executive be given the authority and resources which he must have to fulfill his Constitutional responsibility for directing the Executive Branch of the Government. Without such authority and resources the President cannot be held accountable for the conduct of Federal administration. The Commission has further urged that there be a clear line of authority from the President to and through each department and agency for which he is accountable and responsible; that the executive functions of the Government be grouped under the smallest practicable number of departments and agencies; and that the ability of the President and of department heads to carry out their responsibilities not be impaired by numerous detailed statutory regulations.

With these general propositions of the Commission I am in full accord. My approval and acceptance of them springs not alone from my personal conviction but equally from the compelling mandate of my oath of office to support the principles of the Constitution.

The creation of clear lines of responsibility and authority within the Executive Branch does not weaken—but instead strengthens—the Constitutional position of the Congress to determine the scope and character of activities in which the Government shall engage and to prescribe the policies which shall guide their execution.

With the completion of the Commission's work, we should now consider the specific reorganization steps which should be taken at this time. The reorganization of the Executive Branch is a complicated and difficult task. Its accomplishment requires an orderly and systematic plan of action and close cooperation between the President and the Congress.

Certain reorganization measures are now before the Congress. Bills to improve the organization of our national security and foreign affairs activities are under consideration. Action in both of these areas was recommended by the Commission on Organization and endorsed in my earlier messages to the Congress. There are also pending in the Congress bills dealing with the establishment of a National Science Foundation, the conversion of the Federal Security Agency into a Department of Welfare, increased pay for top Federal officials, and the creation of a General Services Agency with improved arrangements for property management. The objectives of these bills have been generally endorsed by the reports of the Commission on Organization, and I have previously indicated my support of action in these fields.

These specific bills are important and cover major areas of the Commission's work. Of equal importance is the general reorganization bill now before the Congress. There is no need in this message to recapitulate the compelling reasons for enacting a general reorganization statute. These were fully stated in my message to the Congress January 17, 1949.

In keeping with past experience, the pending bill provides that reorganization plans, submitted to the Congress by the President under the reorganization authority, must lie before the Congress for 60 consecutive days without Congressional disapproval, if they are to become effective. Because of this 60 day waiting period the bill should be enacted soon if any reorganization plans are to be submitted to the present session of the Congress.

It is neither possible nor wise to proceed simultaneously in all areas on reorganization. When reorganization authority is enacted reorganization plans will be submitted to the Congress as rapidly as it is feasible to do so. I shall also submit additional recommendations for action on matters which cannot be covered by reorganization plans. Such plans and recommendations will represent the most carefully considered judgment of the Executive Branch of the Government. In their formulation I shall give careful consideration to the recommendations of the Commission.

The Commission on Organization has served the country well by pointing the way toward achieving continued improvements in government operations. The most effective recognition of their work will be the vigorous application of the principles which they have stated.

HARRY S. TRUMAN

NOTE: The reports of the Commission on Organization of the Executive Branch of the Government are

published as House Documents 55, 63, 73, 76, 79, 80, 84, 86, 92, 100, 115, 116, 119, 122, 128, 129, 140, 152, and 197 (81st Cong., 1st sess.).

The Commission was composed of the following persons: Herbert Hoover, Chairman, Dean Acheson, Vice Chairman, Arthur S. Flemming, James Forrestal, George H. Mead, Senator George D. Aiken, Joseph P. Kennedy, Senator John L. McClellan, James K. Pollock, Representative Clarence J. Brown, Carter Manasco, and James H. Rowe, Jr.

For the statement by the President upon receiving the final report of the Hoover Commission, see Item 111.

95 The President's News Conference of *May* 12, 1949

THE PRESIDENT. [1.] Gentlemen, I have but one announcement to make. I have come to the conclusion that it will be necessary to sign a continuing resolution so that some fifteen thousand Government employees can get paid——

Q. How many, sir?

THE PRESIDENT. Between 15,000 and 20,000. And I think that there will be no comment on that at the present time. I shall issue a statement at the time the resolution is signed, which will set out my position in the matter.

That's all the announcements I have to make.

[2.] Q. Mr. President, were you correctly quoted in regards to Senator Byrd the other day?

THE PRESIDENT. I don't see any reason for commenting on a confidential conversation.

[3.] Q. Mr. President, General Spaatz in the—retired, Air Force—in his column in Newsweek makes some very drastic and interesting suggestions about unification; and there are three or four suggestions, if you would allow me——

THE PRESIDENT. Go right ahead.

Q. He suggests abolishing the Secretaries of Army and Navy and Air Force, and taking their functions over into the Secretary of Defense and the Under Secretary; and to abolish the Joint Chiefs of Staff and create a general staff of the Armed Forces under a single chief, and make the commanders of the three services wholly responsible to the Secretary of Defense, and two or three other suggestions and recommendations. Are you aware of those——

THE PRESIDENT. Yes, I am aware of them.

Q. Have you anything to say about them?

THE PRESIDENT. No, I have no comment to make on those recommendations. You see, all those things have been thoroughly and completely gone into time and again by me when we were first asking for the legislation. Several amendments now pending before the Armed Services Committee in which all the—at which time all those things will be thrashed out; and it isn't proper for me to make comment on that now, because the Congress is expecting to act on some amendments to the Unification Act.

Q. I gather from what you said that you have seen the suggestions and have discussed them?

THE PRESIDENT. Yes. Yes, I have. General Spaatz was a member of the Chiefs of Staff when all those matters were discussed, right here in this office.

[4.] Q. There were reports published, I believe, that you had chastised Senator Lucas for not getting your program through the Senate?

THE PRESIDENT. There isn't a word of truth in it.

Q. You didn't scold him?

THE PRESIDENT. No.

Q. Have you heard that—also the report that Senator Lucas intends to resign as majority leader?

THE PRESIDENT. Yes, I heard the report but I didn't believe it.

[5.] Q. Mr. President, the President of Brazil, General Dutra, I believe, is coming May 18th, before your next press conference. I wonder if you would care to make any further comment as to the significance of his visit, or any special matters you might wish to discuss with him?

THE PRESIDENT. There is no special comment that I can make except that I hope that the people of the United States will give the President of Brazil the same cordial welcome that the Brazilians gave me when I was down there; and I am sure they will.

[6.] Q. Mr. President, can you tell us how your personal physician, Dr. Wallace Graham, feels about national health insurance?

THE PRESIDENT. Huh? [*Laughter*] Why don't you ask Dr. Graham? You should know how he feels, or he wouldn't be in his job. [*More laughter*]

[7.] Q. Mr. President, a Dr. William of Mississippi is quoted this morning as saying you have denied patronage to all of the Mississippi delegation in the House. Is that true?

THE PRESIDENT. I hadn't heard about it. That's the first I have heard about it.

[8.] Q. Mr. President, a confidential report supposed to have been given to you by your Council of Economic Advisers leaked badly. Is there anything you can tell us about it?

THE PRESIDENT. It is a confidential report, just as you named it, and there is no comment on it.

[9.] Q. Mr. President, some of the labor leaders seem to be in a mood for concessions. Are you?

THE PRESIDENT. I hadn't talked to the labor leaders on that subject, and I therefore can't answer the question. My position has been well set out in the messages to the Congress, and it hasn't changed.

Q. Mr. President, didn't Mr. Green and the other labor leaders discuss this with you?

THE PRESIDENT. No. No, I didn't discuss the phase or any other. I discussed nearly everything else with them.

[10.] Q. In spite of the fact that it is a confidential report, can you say whether the economic report is optimistic or not?

THE PRESIDENT. It wasn't pessimistic. Those reports are made to me confidentially once a month, and I get reports from the Federal Reserve Board, I get reports from the Department of Commerce, I get reports from the Department of Labor, I get reports from the Secretary of the Treasury, I get reports from Dun and Bradstreet, and from every other agency which will contribute to an understanding of just what the economic situation is.

There isn't any reason in the world why those reports—confidential reports to me—should have leaked or should be made public, because it isn't necessary. Twice a year I make public the economic condition of the country in messages which I send to the Congress. That Economic Message is constructed as a result of all the information which is accumulated and put on my desk.

[11.] Q. Mr. President, in the light of this report, and in light of changing economic conditions in the country, do you feel that there is any alteration needed in—in your proposal for taxes in the budget?

THE PRESIDENT. In my message to the Congress my position has been very clearly stated.

[12.] Q. Mr. President, there is a group up on the Hill who have been clamoring for the dispatch of an Ambassador to General Franco's government in Madrid——

THE PRESIDENT. The Secretary of State answered that question very well to you yesterday,[1] and called *you* by name. [*Laughter*]

[13.] Q. Mr. President, did the matter or question about your feelings regarding your recommendations on taxes and other matters include your request to the Congress in your State of the Union Message for economic controls? Do you still feel that those are necessary?

THE PRESIDENT. That message still stands until I send another one on another line to the Congress.

[14.] Q. Mr. President, could you tell us anything about the circumstances of Jonathan Daniel's inability to take the Navy job?

THE PRESIDENT. I think the best way to find that out would be to ask Mr. Daniels.

[15.] Q. Mr. President, are you thinking in terms of a purge about your opponents—about the opponents to your program on the Hill?

THE PRESIDENT. I am not interested in a purge. The people will take care of that.

[16.] Q. Mr. President, are you anywhere near announcing a new Secretary of the Navy, or of the Army?

THE PRESIDENT. I hope to be able to announce both in a few days,[2] but I can't——

[17.] Q. Mr. President, are there any developments in regard to reclamation? I mean——

THE PRESIDENT. On what?

Q. On reclamation?

THE PRESIDENT. I included a statement on reclamation in the message to the Congress.

[18.] Q. Mr. President, have you any observations that you would care to make on the lifting of the blockade of Berlin?

THE PRESIDENT. As I said last week, I am happy that it has been lifted—happy that the blockade of Berlin has been lifted.

Q. Do you feel that it is a source of encouragement in the world situation?

THE PRESIDENT. Yes, I do.

[19.] Q. Mr. President, Chairman Doughton of the House Ways and Means Committee, after seeing you yesterday, said that he hoped higher taxes could be avoided. He also hoped that deficit financing could be avoided, but he was most enthusiastic in behalf of what he called rigid Government economies, in other words, he said, reducing appropriations from their present figure. I wonder how that squared with your policies?

THE PRESIDENT. The rigid economy part we are in complete agreement on, and I exercised the most rigid economy when I sent the budget to the Congress. I always do that, and shall continue to do that. The topic of conversation between Mr. Doughton and myself was the Social Security Act, and we are in agreement on the approach to that. That is what he came to see me about.

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[1] For Secretary Acheson's remarks at his news conference on May 11, see the Department of State Bulletin (vol. 20, p. 660).

The United Nations was about to vote on a resolution relaxing a 1946 resolution against the sending of ambassadors to Spain by permitting each nation to exercise its own judgment in the matter. In announcing that the United States would abstain from voting, Secretary Acheson stated that "the policy of the American Government is one which I am quite sure is calculated to please neither group of extremists in the United States—either those who say that we must embrace Franco, or those who say that we must cast him into the outermost darkness."

[2] On May 13 Francis P. Matthews was nominated as Secretary of the Navy. He was confirmed by the Senate on May 19 and was sworn in on May 25.

On June 7 Gordon Gray was nominated as Secretary of the Army. He was confirmed by the Senate on June 9 and was sworn in on June 20.

Q. Mr. President, just to clarify my thinking, sir, you still think there should be additional taxes, better than a deficit?

THE PRESIDENT. There should be no deficit in Government financing in a country that has got a national income somewhere in the neighborhood of $217 billion.

Q. Mr. President, do you feel that you can avoid a deficit without additional taxes?

THE PRESIDENT. I do not.

Q. What does the deficit now look like by the end of this fiscal year?

THE PRESIDENT. I can't answer intelligently because I haven't the latest figures on it. They are getting them up now. I have to wait until I hear from the Treasury on the income for this last quarter.

Q. Are you still thinking in terms of 4 billion?

THE PRESIDENT. No, I never did think in terms of $4 billion.

Q. New taxes.

Q. I mean taxes.

THE PRESIDENT. Oh. We will work that out when we see what the shortage is likely to be.

Q. You mean it might be more?

THE PRESIDENT. I can't tell. No, not more than 4 billion.

Q. Could it be less, Mr. President?

THE PRESIDENT. It will undoubtedly be less—much less.

Q. This is that 600 or 700 million, Mr. President?

THE PRESIDENT. That was the estimate at the beginning of the year. As I tell you, I can't give you an intelligent estimate until after the Treasury collects the figures.

Q. Mr. President, I was running a question behind there. You said that you think undoubtedly it might well be considerably less than 4 billion in new taxes?

THE PRESIDENT. No, I didn't say that. I said I thought the deficit would be much less than 4 billion.

Q. To clarify that a little further, Mr. President, do you anticipate any change in the recommendations that you previously made for 4 billion in taxes?

THE PRESIDENT. I do not.

Q. Mr. President, can you explain why the class of people who were most worried about a deficit a year ago are less worried about it now?

THE PRESIDENT. Well, I can't explain it now. It is a very interesting study in psychology, I think. Maybe some of you experts on that subject could go to work and write me an article.

Q. Mr. President, how much surplus do you think there should be for debt retirement?

THE PRESIDENT. I think we ought to retire some $2 to $5 billion on the debt every year.

Q. You said 2 to 5, sir?

THE PRESIDENT. 2 to 5 billion; that is, I did when I had the means to do it with. I retired more debt than any other President in the history of the United States.

Q. How much have you retired, Mr. President?

THE PRESIDENT. About 26 billion. That was more than the national debt after the First World War.

Q. How much?

THE PRESIDENT. About 26 billion.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's one hundred and eighty-second news conference was held in his office at the White House at 10:30 a.m. on Thursday, May 12, 1949.

96 Statement by the President Upon Signing Temporary Appropriations Bill. *May* 12, 1949

I HAVE today signed H.J. Res. 226, making temporary appropriations for the fiscal year 1949, and for other purposes.

This joint resolution is what is sometimes referred to as a "continuing resolution." It authorizes the expenditure of urgently needed funds for which appropriations are contained in the First Deficiency Appropriation Bill, 1949, now in conference between the two Houses of the Congress. Its purpose is to permit essential operations of the Government to continue while the Congress gives further consideration to the matters now in disagreement between the two Houses.

I have signed the joint resolution with regret, because it contains a provision to which I strongly object. This provision places arbitrary and unwise restrictions on the use of appropriated funds for paying the salaries of the Commissioner, the Assistant Commissioners, and the Regional Directors of the Bureau of Reclamation. Its effect is to maintain for the time being the present situation in which certain of these officers are prevented from receiving their salaries by a rider which was included by the 80th Congress in the Interior Department Appropriation Bill of last year.

I want to make it clear that I am signing the present joint resolution only as a means of making funds available for carrying on the Government's work while the principle involved in this provision is given further consideration. It is my understanding that the Congress enacted the present joint resolution upon that same basis and that the presence of this provision in the joint resolution does not indicate the judgment of the 81st Congress that such a provision is desirable.

The rider enacted last year was designed to effect the removal from the Government service of two men who have vigorously enforced the provisions of the Reclamation Laws designed to encourage family-size farms. Its enactment violated the spirit, if not the letter, of the Constitutional provisions for separation of legislative and executive functions and the Constitutional prohibition against bills of attainder. There can be no justification for the use of the appropriation power for such a purpose.

The prohibition against paying the salaries of the officers in question should be terminated, and I am confident that the Congress will terminate it at an early date.

NOTE: As enacted, H.J. Res. 226 is Public Law 62, 81st Congress (63 Stat. 67).

The two men referred to by the President were Michael W. Straus, Commissioner of the Bureau of Reclamation, and Richard L. Boke, a Regional Reclamation Director. Both men remained in their posts without salary until October 12, 1949. At that time the President signed Public Law 350 (63 Stat. 765) in which the restrictions affecting the two men were omitted.

For the rider enacted by the 80th Congress, see the Interior Department Appropriation Act of 1949, approved by the President on June 29, 1948 (62 Stat. 1112).

97 Message to the Congress Transmitting Third Annual Report on U.S. Participation in the United Nations. *May 12, 1949*

To the Congress of the United States:

The accompanying report on the participation of the United States in the United Nations for 1948 is transmitted to the Congress on the recommendation of the Secretary of State.

The report has my approval.

At this stage in the life of the United Nations it is appropriate to say a word about the Charter and the organization. The Charter is at once a statement of objectives and a guide to action. It proclaims the objectives of preventing future wars, of settling international disputes by peaceful means and in conformity with principles of justice, of promoting world-wide progress and better standards of living, of achieving universal respect for and observance of fundamental human rights and fundamental freedoms, and of removing the economic and social causes of international conflict and unrest.

These objectives are well stated in the Charter itself. We subscribed to them at the time we signed the Charter. We are firm in our resolution to work for these objectives.

The Charter is a guide to action. While this is so for all Members, it is particularly so for those enjoying the "right of veto". There is a greater obligation on these five powers than on the other Members to conduct themselves in accord with the principles of the Charter. They must "settle their international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered." Equally, they must "refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations." Fulfilment of these obligations means the exercise of national self-restraint in international relations. Along with other Charter obligations they place limits on our freedom of action. But these limits are self-imposed, because we signed the Charter without reservation. During 1948 we have continued to recognize these Charter obligations as restrictions upon our conduct. We will continue so to recognize them. And we have a right to expect other Members of the United Nations to act similarly, for the Charter is a pledge of good faith exchanged by each Member with all the others.

I recommend the accompanying report to the attention of the Congress. The nature of our participation and the many different ways in which it is manifested may come as a surprise to many members. But it will not be an unpleasant surprise. We have taken the leadership in many fields of international relations. We can be proud of what we have done. If the United Nations as a security organization has disappointed us, as the Secretary of State notes, and if we have had to take supplemental measures to meet actual or potential threats to our security, it is not because the United States has not put forth real efforts to develop the United Nations to its full stature. The world today is not the world we had hoped for when the San Francisco conference adjourned less than four years ago.

The United States supports the United Nations in all respects. The following pages tell how that was done in 1948.

HARRY S. TRUMAN

NOTE: The report is printed in House Document 178 (81st Cong., 1st sess.).

98 Radio Remarks Opening the Opportunity Savings Bond Drive. *May* 16, 1949

[Broadcast from the White House at 11:23 p.m.]

My fellow citizens:

The Opportunity Savings Bond Drive should have the support of all citizens. It is part of the effort we are all making together for the good of one another, for the security of our country, and for the peace of the world.

The practice of buying Government bonds goes back to the earliest days of our Republic. One hundred and sixty years ago Alexander Hamilton, the first Secretary of the Treasury, appealed to the wealthy people of the country to invest in securities of the Government. There were two reasons why his appeal was addressed to the wealthy. In the first place, there were few persons in those days who had funds that they could invest in bonds. Secondly, these wealthy people had great influence; and Hamilton wanted them to have a stake in the success of the Federal Government so they would give it their support.

We have come a long way since that time. The Federal Government, whose very survival was then uncertain, is today the safest place in the world in which to invest money.

Furthermore, it is no longer just a wealthy few who are able to buy Government bonds. Today, millions of Americans—farmers, workers, and professional people, as well as merchants and bankers—own Government bonds.

These changes which have taken place since the early days of our Republic are of profound significance. They mark the success which has attended our efforts to establish a nation of free people in which all men have a fair chance to share in the benefits of their labor.

We are going ahead to build further on these foundations. We shall strengthen our social security system, improve our laws protecting the rights of workers, and strengthen our program for assuring a fair income to the farmer. We shall work constantly to bring greater happiness and greater opportunity to all our citizens.

In this effort, every family has a part. The Government can help to provide opportunity, but it requires self-reliance and determination on the part of the individuals to take advantage of that opportunity for themselves. Every family should be planning and working toward a better future for itself. Every family should be saving what it can in order to obtain a better home, better equipment for the farm, a college education for the children, or economic independence. There is no better way of doing this than through the purchase of Government bonds. And the sum total of the bonds that all our families buy means purchasing power and opportunity for the whole country in the future.

Like most citizens, I have a natural pride in my home community. Consequently, I am happy to be able to announce that Jackson County, Mo., has already exceeded the $7 million quota which was established for it for this drive. I am sure that citizens in other parts of the country will show just as much interest as the people of Jackson County in taking advantage of the real opportunities offered to them in this bond drive.

The purchase of savings bonds by millions of our citizens in the past few years has demonstrated our unity and our faith in our

democratic institutions. In the Opportunity Bond Drive we shall give a further demonstration of that unity and that faith.

NOTE: The President spoke from the White House at the conclusion of an hour-long program by stage and screen stars in aid of the bond drive. He was introduced by John W. Snyder, Secretary of the Treasury, who spoke from Kansas City, Mo.

99 Citation Accompanying Distinguished Service Medal Awarded to General Lucius D. Clay. *May* 17, 1949

CITATION FOR DISTINGUISHED SERVICE MEDAL

(Second Oak Leaf Cluster)

AS UNITED STATES Military Governor in Germany and Commander-in-Chief of United States Forces in Europe, General Lucius D. Clay performed services of supreme value to his country and to humanity.

Previously distinguished for his outstanding work in helping to arm our forces, he added new and imperishable luster to his record by the manner in which he carried out his uniquely challenging task in Military Government in Germany. General Clay in this capacity proved himself not only a soldier in the finest tradition of our American arms, not only an administrator of rare skill, but a statesman of the highest order—firm, courageous, dedicated to the cause of peace. His entire administration was marked by a deep devotion to our democratic ideals of justice and freedom.

Conditions in Germany were such that he could not be spared from his task until May fifteenth of this year. He was released then only because his work had reached a milestone with the framing of a Constitution for Western Germany. His was an assignment of unexampled complexity and difficulty, and the completion of it represents an accomplishment of which his countrymen can be forever proud.

HARRY S. TRUMAN

NOTE: The presentation was made by the President in a ceremony in the Rose Garden at the White House at 11 a.m.

100 Letter to Mon C. Wallgren Regarding Withdrawal of His Nomination as Chairman, National Security Resources Board. *May* 17, 1949

My dear Mon:

It is with the deepest regret that I yield to your request to withdraw my nomination of you to be Chairman of the National Security Resources Board. Like you, I am convinced that had your name been permitted to go before the whole Senate, the nomination would have been confirmed.

I want you to know that my faith in you is undiminished. From experience, I know the qualities of integrity, industry and high intelligence that you would have brought to the position for which I selected you. It is unfortunate in the public interest that the Committee charged with considering your nomination saw fit to lay it aside. For the reasons you so compellingly state, I have no choice now but to withdraw the nomination.

With deep appreciation of the fine spirit

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which prompted your request, I am, as always, with affectionate regards,

Very sincerely yours,

HARRY S. TRUMAN

NOTE: Mr. Wallgren's letter, dated May 14, was released with the President's reply.

The President had appointed Mr. Wallgren, former Governor of the State of Washington, on February 3, 1949. On March 15, 1949, the Senate Armed Services Committee rejected the nomination. For the Committee hearings see "Hearings Before the Committee on Armed Services, United States Senate, 81st Congress, 1st Session, on the Nomination of Mon C. Wallgren to be Chairman of the National Security Resources Board" (Government Printing Office: 1949, 240 pp.).

101 Letter to the Secretary of the Interior on the Transfer of the Pacific Islands to Civilian Administration. *May* 18, 1949

[Released May 18, 1949. Dated May 14, 1949]

My dear Mr. Secretary:

I have today informed the Director of the Bureau of the Budget that the drafts of organic legislation for Guam and American Samoa, prepared by the Department of the Interior, have my approval. The Department of the Interior will have the responsibility of presenting the measures to the Congress. I have asked the Secretary of the Navy to assist you and I enclose a copy of my letter to him.

I indicated in my letter of February 11, 1948, to the Secretaries of State, Army, Navy and the Interior, that it was my intention, upon approval of organic acts for the Pacific Islands, to designate the Department of the Interior as the civilian agency with general supervision over civil administration of these islands. While I state again that such a designation would be without prejudice to future consideration based upon further study of long-range plans for administration of United States territories and possessions, it is my desire that realistic planning be undertaken immediately to effectuate orderly transfer of the aforementioned islands from naval to civilian administration. Accordingly, I request that you take the lead, in cooperation with the Secretary of the Navy, in developing a specific time schedule within which the desired transfers may be effected, regardless of the status of pending legislation. Preferably, under such a schedule, the Island of Guam should be transferred to civilian administration within the next year, and American Samoa and the Trust Territories within the next two to three years. Plans devised under these time arrangements can then be integrated with whatever legislative proposals are ultimately enacted.

I further request that you advise me by September 1, 1949, of the plans recommended under the aforementioned procedure.

It is the announced aim of this Government to accord civil government and a full measure of civil rights to the inhabitants of its Pacific territories. The accomplishment of this objective will be furthered by the transfer of these territories to civilian administration and the enactment of organic legislation at the earliest practicable date.

A copy of this letter is being sent to the Secretary of the Navy.

Sincerely yours,

HARRY S. TRUMAN

[The Honorable, The Secretary of the Interior.]

NOTE: The following Executive orders were signed by the President in connection with the transfer of the islands: Executive Order 10077, September 7, 1949, "Transfer of the Administration of the Island of Guam from the Secretary of the Navy to the Secretary of the Interior" (3 CFR, 1949–1953 Comp., p. 279); Executive Order 10137, June 30, 1950, "Amending Executive Order No. 10077 of September 7, 1949" (3 CFR, 1949–1953 Comp., p. 320); and Executive Order 10264, June 29, 1951, "Transfer of the Administration of American Samoa from the Secretary of the Navy to the Secretary of the Interior" (3 CFR, 1949–1953 Comp., p. 765).

102 Remarks of Welcome to the President of Brazil at the Washington National Airport. *May* 18, 1949

Mr. President:

I am delighted to welcome you to the United States as the guest of the people of this Nation. I personally am happy to be able to renew our acquaintanceship, and to reciprocate the generous hospitality which you accorded me on my visit to Brazil in 1947. I sincerely hope that your stay in the United States will prove as enjoyable to you as my trip to your country was to me.

This is the first time a Brazilian chief of state has visited our country since Dom Pedro II attended the Centennial Exposition at Philadelphia in 1876. He captivated the people of the United States with his gracious manner and lively interest in the scientific and social developments that characterized that period of our history. I trust that you will find the contemporary scene equally interesting and significant.

The exchange of visits between the heads of state of Brazil and the United States symbolizes the cordial relations that have always existed between our two countries. Throughout the history of the two nations, our relationship has been one of warm friendship and mutual helpfulness. We have fought through two world wars as loyal allies. In peace and in war, Brazil and the United States have been secure in the knowledge that we could confidently rely upon the active and effective support of each other.

At the present time, when the world is still disturbed by fear and conflicting ideologies, it is gratifying to know that Brazil and the United States are exerting their constructive efforts in the common resolve to strengthen democracy and assure world peace under conditions in which freedom and human rights will flourish.

Mr. President, all of us in this country are honored by your visit as the Chief Executive of a great nation and a great people. You share with us the principles and ideals which have guided our countries in our progress toward a better life for our people.

I know that these ideals will continue to inspire us in our quest for peace and happiness for all mankind.

NOTE: The President greeted Gen. Eurico Dutra, President of Brazil, at 4 p.m. at the Washington National Airport. President Dutra was received with a Presidential salute of 21 guns and full military honors. The remarks were carried over radio and television.

A speakers' stand had been erected at Washington Post Square on Pennsylvania Avenue. When the official procession reached the Square at 5 p.m., President Truman and President Dutra left their car and mounted the platform. In a brief ceremony President Dutra was presented with a birthday cake, decorated with American and Brazilian flags. In presenting the cake, President Truman made the following remarks:

"Mr. Chairman, President Dutra, and ladies and gentlemen of the District of Columbia:

It is my pleasure at this moment to congratulate the President of the United States of Brazil on his birthday. This is his 64th birthday. I am just 10 days older than he is—my birthday is the 8th of May and his is the 18th—if you don't count the years."

103 Remarks and Toasts at a Dinner in Honor of President Dutra of Brazil. *May* 18, 1949

I AM going to vary the usual procedure a little bit tonight.

I am going to ask the Vice President of the United States, in his capacity as President of the Senate, to say a word of welcome to the head of our great sister state in South America, the President of Brazil.

If the Vice President will say a word, I will appreciate it.

Vice President Barkley: Mr. President—Mr. President—distinguished guests from the Americas:

I am very highly honored by the President to be asked to speak a word of welcome to our distinguished guests from Brazil. I know of no task which could be assigned to me by my Commander in Chief that I would discharge with greater pleasure than that which he has given to me this evening.

The friendship which has existed between the Republic of Brazil and the Republic of the United States is of long standing, and traditional. It is based upon mutual respect, mutual admiration, and mutual understanding of the problems that face both countries, and the mission of both countries in a peaceful world, that no distinction of language could in any respect obliterate.

We in the United States, Mr. President, have been greatly encouraged and inspired by the leadership of your country in all movements for the preservation and the fortification of democracy in America, and by example, to extension throughout the world. In the field of culture, in the devotion which your people and ours have to the arts and sciences, to all the elements of life that raise the standard of humanity, to the extension of democracy and enjoyment of self-government, and that mutual accord and cooperation which is so essential in these days of frustration and chaos, we welcome a partner in the Americas with standing and the ability and the character not only of the Brazilian Government, but of the Brazilian people themselves.

It is in that spirit, Mr. President, that not only the President of the United States, and the Government of the United States, and the representatives of the people in the Congress of the United States, but the whole people of our country welcome you as an honored and distinguished guest, worthy of every courtesy and every consideration, and worthy of emulation in many of the fields of political economy and political discourse, and the administration of government for ourselves and for the entire world.

May I wish for you and for your official family the greatest possible enjoyment while in our midst, that you may prolong your visit beyond your expectations, and that your visit may, as it certainly will, re-knit and strengthen the bonds of friendship which have always existed between your country and ours.

Mr. President, may I thank you for giving me the honor of speaking these words in honor of our guest.

THE PRESIDENT. Now, may I request the Speaker of the House of Representatives to say a word of welcome, on behalf of

the House, to our distinguished guest, His Excellency the President of Brazil.

Speaker of the House, Sam Rayburn: Mr. President of the United States of North America, and Mr. President of Brazil:

I thought that tomorrow when I present the President of Brazil to the Joint Session of the Congress that I would say a word; but I do want to endorse everything that the Vice President of the United States has said with reference to our neighbor to the south, to a great and a proud people, and we welcome their First Representative to the United States of America.

THE PRESIDENT. Thank you, Mr. Speaker. The Government of the United States is divided into three sections. You have heard from the representatives of the people. We have a representative of the courts of justice here tonight, who is supposed not only to represent justice but is also supposed to represent brains and learning.

The Chief Justice of the United States, would you say a word of welcome.

Chief Justice Vinson: Mr. President, Mr. President of Brazil:

The President of the United States, as usual, takes in a lot of territory. But it is a pleasing moment to speak a word from the judiciary. And it is peculiarly pleasing to meet again tonight an old friend, a coworker in days when I was working in the executive branch of the Government, de Sousa Costa. We labored together, Mr. President, at Bretton Woods 5 years ago, and that work with him and other representatives of our brothers from the south demonstrated to me what proper understanding can do for not only our hemisphere but for the world.

Our countries for decades from the beginning have been friendly nations. The visit of our President to your country, and your visit to our country can do nothing but promote a better understanding between our countries and our peoples, a solidarity that is needed by your country and by our country and the world.

One would be blind if they could not observe dark clouds in the world. Even the Chief Justice of the United States can see those dark clouds. And it is the understanding, the cooperation, meeting the issues shoulder to shoulder, that can come from countries like yours and countries like ours, in order that we may save and preserve the kind of world that you and we want to live in.

THE PRESIDENT. Now, Mr. President, on behalf of the Government and the people of the United States, I would like, while drinking a toast to you here, to present to you a special medal—solid gold—which has been cast in your honor. This is the only one like it in the world, and the only one like it that will be made.

On behalf of the people of the United States, I present to you this medal, in honor of your visit to the United States.

Ladies and gentlemen, the health of the President of Brazil.

NOTE: The President proposed the toast at a state dinner held in honor of President Dutra at the Carlton Hotel in Washington. President Dutra requested that Raul de Fernandes, Brazilian Minister of Foreign Relations, offer a response. Mr. de Fernandes spoke the first paragraph in English and the rest through an interpreter. His remarks follow:

"Mr. President, ladies and gentlemen:

"My English is too poor to deliver a speech to a very high society. I am obliged to take this opportunity, therefore, to have it translated into English—in good English—some words I am telling you in Portuguese.

"Mr. President, I would like to fulfill the most pleasant task which has been conferred upon me by President Dutra by expressing to you all our gratitude for the very kind words you and the other representatives of the legislative and judiciary branches have addressed to the Highest Magistrate of my country, and to express thanks on this occasion

for what you have said to the First Magistrate of my country.

"He recalls the famous words recalled, appreciated, and admired by all Americans. In the course of the First World War, at the time when the American Expeditionary Force set forth to defend freedom in the world, General Pershing said before the tomb of LaFayette those famous words—I do not know whether it was in French or English, the reporters reported variously: 'LaFayette we are here.'

"Brazil said something similar to the United States during the First Great War. You recall that after we had lived for four centuries as a colony, we finally shook off the yoke of European power and proclaimed our independence. The United States, first among all nations, recognized our independence. A century later, the United States found itself involved in a war in which the destiny of the world and the destiny of America was involved. Brazil at this dark juncture, in a proclamation to all nations, stated that she could not remain indifferent in a war in which the United States was involved, that she judged herself bound in this, and set forth its position to the whole world.

"This, one century later, was the answer of the Brazilian people and government to the noble, admirable, and grand gesture of the United States towards new-born Brazilian independence, and the new-born Brazilian state. The bonds which have united us have their roots so deep in feeling, in economy, and in history, that they are now, as they have always been, indestructible.

"Especially after Brazil changed the form of her political institutions to a new form, based on the work of the Founders of American freedom, particularly since then, the American political thought and ideas have impregnated the whole of Brazilian life.

"I do not know if I am telling the illustrious Chief Justice something with which he is not already familiar, when I tell him that the magnificent decisions of the great Marshall are known throughout Brazil from the lowest schools of law to the highest tribunals of the land.

"We have learned from the inspiration of your experience the finest sentiments inspired by generosity which you have shown to us.

"I have, in the course of my long career, worked with, or seen work under my eyes, some of the most outstanding of your men. I have worked with the great Elihu Root in The Hague in setting forth the foundations of the International Court of Justice, and also with that great, generous and much admired statesman, Charles Evans Hughes, in the conference at Habana.

"More recently, I have had occasion to see in Rio and in Paris the skill and the ability of Senators Connally and Vandenberg, who have shown to us what possibilities there exist in the cooperation of parties.

"President Dutra, inspired by this example has, in Brazil, since the time he became President, adopted this plan; and he has exercised the privilege, which I do not know if it can be fitted to other countries, of exercising this cooperation not only in the field of external politics but in the field of internal policy as well.

"I think these few words I have spoken are the sentiments that fill the Brazilian soul, and that express that feeling of deep understanding, comprehension, and admiration; and it is with pleasure that in the name of President Dutra I raise my glass in honor and in homage to the President of the United States!"

In the course of his remarks Chief Justice Vinson referred to Arthur de Sousa Costa, Brazilian Minister of Finance from 1934 through 1945.

104 Letter to Harvey S. Firestone, Jr., in Response to His Report on the United Service Organizations. *May* 19, 1949

Dear Mr. Firestone:

I very much appreciate your report on the organization of the new peacetime USO. As I told you in our conference today, it will have the complete backing of the Government. It is good to know that the six great voluntary agencies which ran USO through the war years, and which broadly represent the three main religious groupings of our citizens, will again be channels for the USO activities.

For the most part, our armed forces are civilian volunteers. Most of them—six out of ten—are under 20 years of age. We can

show them our gratitude through our wholehearted support of the USO. Soon they will be returning to their homes. We want them to return as good citizens, proud of the treatment they have received.

I am particularly happy to see Veterans Hospital Camp Shows included in the program of the USO. They serve the double purpose of entertaining the men and giving them the much-needed assurance that they are remembered.

I wish the USO abundant success in its vitally important task.

Very sincerely yours,

HARRY S. TRUMAN

[Mr. Harvey S. Firestone, Jr., President, United Service Organizations, Inc., 350 Fifth Avenue, New York, New York.]

NOTE: The President met with Mr. Firestone in his office at the White House at 11:30 a.m. A draft "Suggestion for Statement to be Made to Hon. Harry S. Truman, President of the United States, by Harvey S. Firestone, Jr., President of U.S.O." is in the files of the Truman Library.

For the statement by the President reactivating the United Service Organizations, see Item 34.

105 Remarks to Members of the Brazilian Press. *May* 19, 1949

I APPRECIATE that most highly. I want to say to you gentlemen that I hope you will have a pleasant time. You are most, most welcome here. Our only difficulty is finding the means to meet the precedent for courtesy which was set in Brazil. I don't think we can ever hope to come up to the treatment which we received when we were down there, from the President all the way down. Our press was cordially treated. I don't think I ever had such a welcome in my life as I had in Rio de Janeiro; in fact, I know it.

I have endeavored to give President Dutra something in the nature of the reception which he gave me in Rio de Janeiro. Of course, we knew very well we could not hope to approach the turnout which you had in Rio de Janeiro. One of our handicaps is that we have only 700,000 people in Washington and in the immediate vicinity, and I understand that Rio de Janeiro has something approaching 3 million, so that makes some difference.

The President assured me this morning that he had had a wonderful time, that he is having a wonderful time, and we want him to continue to have just that sort of pleasurable visit here.

We are all of the same opinion, that the cementing of the good-neighbor policy in the Western Hemisphere is vitally important to the welfare of the world as a whole. We have always counted Brazil as our friend, and I know that we can always count Brazil as our friend. We are in a peculiar position. They give us credit for being an exceedingly powerful nation, but our neighbors to the south of us and our neighbors to the north of us are not afraid of us. We are all friends together. That is an example that I hope some other people in the world will start to follow.

Thank you very much.

NOTE: The President spoke in his office at the White House at 3:35 p.m. His opening words "I appreciate that" referred to remarks by Herbert Moses, president of the Brazilian Press Association, who had presented the group to President Truman.

106 Statement by the President on Activating a Generator at Grand Coulee Dam. *May* 20, 1949

THE PLACING in service of this additional generator, which today makes Grand Coulee Dam our biggest producer of hydroelectric power, is indeed an historic event. This is one more of the many steps necessary in harnessing the almost limitless power potential of our great Northwest.

Already the Nation is indebted to the Northwest and its great Columbia Valley resources for a large contribution in winning our most terrible war. Now, in peace, this power, and more to be added, can be used in the development of industry and agriculture in a coordinated approach to the needs of the region and of the Nation.

In a special message to the 81st Congress on April 13, I recommended the enactment of legislation creating a Columbia Valley Administration which would coordinate these Federal activities playing an important part in the development and conservation of the resources of the Northwest. It is my hope to see more of these great steps, such as the one we are witnessing today, as part of a continuously developing program, organized under a single administration concerned with the problems peculiar to the Northwest.

The various Federal agencies have already done much to develop the area of the Columbia River. Now, by uniting their activities and authority in one administration, the entire program can be geared more efficiently to the rapid growth of the area.

NOTE: The President had set the new generator in motion by throwing a switch in his office at the White House at 3 p.m. After the President threw the switch, he received the following message from the Power House Control Room at Grand Coulee Dam:

Thank you Mr. President. Power from the new generator you put on the line is now lighting homes, serving farms, and driving the wheels of industry throughout the Pacific Northwest.

F. A. BANKS,
District Manager,
Bureau of Reclamation.

107 Toasts of the President and President Dutra at a Dinner at the Brazilian Embassy. *May* 20, 1949

Mr. President:

In Rio de Janeiro you set a precedent for courtesy and hospitality. As best we can we have been attempting to return to you and to the people of Brazil those wonderful tributes and pleasant times which we had when Mrs. Truman and my daughter Margaret and I visited your great capital.

I sincerely hope that you have had an enjoyable visit in Washington, and I sincerely hope that you will have a pleasant visit in New York City. I hope that you will enjoy the tour over the Tennessee Valley Authority, and your visit to Vanderbilt University in Nashville, Tenn.

You have fulfilled my idea of what a President ought to be. You rise an hour earlier than I do, you walk better than I do, and you call your cabinet into session before breakfast, which I think I shall institute in Washington.

Mr. President, to your health, and to the continued friendship of Brazil and the United States!

NOTE: The President was responding to a toast by President Dutra at a dinner which he gave in honor of President Truman at the Brazilian Embassy. President Dutra's toast, through an interpreter, follows:

Your visit to Brazil was a happy event in the history of the continent, you had proof while you were in Rio de Janeiro of how well your country is understood in Brazil, and of how much it is admired.

On this return visit, we are deeply gratified at the exceptional demonstrations of esteem which we witnessed, directed toward our country. Outstanding among those was the festive spectacle of your lovely Capital City bedecked with our flags. We shall carry back with us to Brazil the recollection of voices and of anthems translating the vibrations of civic friendliness and the expressive cordiality of the American people.

We shall never forget the significance of the words and actions by which eminent representatives of the three branches of Government of this great nation betokened your gracious hospitality to a brother from the south, and renewed the assurance of the traditional and time-tested alliance which has seen us through the hardships of two wars, and rendered ever more fruitful the constructive tasks of peace.

We are happy to have you with us now, in this house of Brazil, in the atmosphere of cordial friendship which is a feature of the Brazilian home.

Mr. President, it gives me a great deal of satisfaction at this time to raise my glass to your personal happiness, and to the ever-present greatness of the United States of America.

108 Joint Statements Following Discussions With the President of Brazil. *May 21, 1949*

THE PRESIDENT of Brazil and the President of the United States are associated in their approval of the following statements:

[1.] The President of the United States of Brazil and the President of the United States of America have met in Washington, D.C., and have discussed at length the desirability of fostering economic development and social progress through the mutually beneficial interchange of technological data and trained specialists of all types, as well as through financial and economic cooperation. These conversations have been inspired by the traditional and unfaltering friendship which has prevailed for more than a century in the relations between the two countries.

The recently published report of the Joint Brazil-United States Technical Mission, which outlines a program of economic development for Brazil, was discussed. In reply to the expression of appreciation by President Dutra for services given by North American experts with this report, President Truman emphasized the past record of interdependence of the two countries, in times of peace and war, and assured the Brazilian President that the United States is now, and will continue to be, most interested in the further development of his country, either through the implementation of the recommendations made in the joint report or in other fields of related endeavor. It was suggested that technical discussions regarding this report might take place later in the year at the time of the visit of the Brazilian Minister of Finance to the United States.

President Dutra mentioned the need of foreign private investment in Brazil. The two Presidents recognized the important role of private investment in economic development and social progress. Accordingly, they have instructed technical experts of their respective Governments to commence immediately the negotiation of an appropriate treaty that would stimulate the mutually beneficial flow of private investment.

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The two Presidents were also fully agreed that a comprehensive joint study of the tax relations between the two countries would be helpful. It was decided that conversations on this subject should be held with a view toward negotiating a convention between the two countries, similar to those already in force between the United States and other countries, which will, it is hoped, eliminate many of the factors that result in double taxation.

President Dutra also pointed to the great need in Brazil for trained technicians and specialists of all types. He was assured that every effort would be made to meet Brazil's requirements in the field of technical cooperation.

The two Presidents recognized the possibility of financing through public lending agencies appropriate development projects not suited to private financing, such as those projects which have already been accepted for financing by the International Bank for Reconstruction and Development and the Export-Import Bank. President Truman assured President Dutra that requests from Brazil would in the future, as in the past, receive the most attentive consideration of the United States Government.

[2.] The historical record of relations between Brazil and the United States reflects cordial and unbroken friendship and cooperation. During the present visit of Brazilian President Dutra, he and the President of the United States have reviewed this admirable record and have discussed means through which relations between the two States might be improved and broadened. In this connection both Presidents have agreed that a cultural convention, a treaty which would encourage and further stimulate the present cultural exchange between the two countries, would be desirable and have given their approval to the negotiation of such an instrument.

109 Remarks Upon Receiving the Robert S. Abbott Memorial Award. *May* 25, 1949

THANK YOU very much. I appreciate it, and hope very much that I will continue to deserve it.

The statement was made, I think before the election last fall, that the principles for which we are fighting are just as old as the Constitution of the United States, and just as new as the Democratic Platform of 1948.

We are pressing for the implementation of that platform, and shall continue to press for it until we accomplish the purpose which was set out. That's about all I can say.

NOTE: The President spoke at 12:45 p.m. in the Rose Garden at the White House.

The Robert S. Abbott Award was established in memory of the founder of the Chicago Defender.

Presentation of the plaque, engraved with the award citation, was made by John H. Sengstacke, nephew of the late Mr. Abbott, and editor and publisher of the Chicago Defender. The award read: "To President Harry S. Truman for his advocacy of full civil rights for all Americans regardless of race, color or creed. The President's civil rights program fulfills a dream long cherished."

110 Remarks to the President's Conference on Community Responsibility to Our Peacetime Servicemen and Women. *May 25, 1949*

Mr. Chairman, members of this Committee, ladies and gentlemen:

I appreciate most highly what this Committee is doing and is trying to do. Last fall, when we organized this Committee for the moral welfare of our young men in the Armed Forces, they came to see me and we had a long conversation on the situation.

You know, before 1939 our Armed Forces were scarcely 300,000, and they were made up of men who had passed 30. We now have about 1,600,000 young men in the Armed Forces, more than 50 percent of whom are under 21. They are the young men who are the future citizens, and who in the future will run the country. These young men should have the same sort of treatment as they would have received had they stayed at home. They are your sons, the neighbors' sons, and they are away from home. In most instances, they are very happy in the armed services. But they need something which the armed services can't give them.

Therefore, it was my privilege to create this Committee. I don't think I could have found a better one in the whole United States of America. It is a cross-section of the moral forces that have made this country great, and the very fact that we have these moral forces is the reason for our greatness.

They accuse us of being materialists because we strive for a high standard of living for the whole population, but the fundamental back of that pursuit of the high standard of living is living according to the Sermon on the Mount, which in my opinion is the best system of philosophy that this world has ever seen.

Therefore, the communities adjacent to the Posts which train these young men should assume the responsibility of seeing that these young men receive the same sort of treatment which our Armed Forces received when we were at war. It is just as important. It is just as necessary.

You know how this country acts, though, when the emergency is over. They go to something else. When the war ceased—well, it was all over, they had other things to think about. Never occurred to them that we now are fighting for the peace. We are fighting for the peace, and for the welfare of the whole world. And it is just as important, in fact it is much more important, than when we were spending $103 billion a year to win the war.

We are now trying to win the peace, and in order to win that peace we must have these young men as a backlog to secure that peace. Therefore, I am urging the home communities in this great Nation of ours to do for these young men, who are serving in peacetime, just what they did for the young men who were serving and expecting to go under fire. We are trying to keep these young men, and their brothers and their cousins at home, from having to go under fire.

I hope you will get behind this move. I hope you will do everything you possibly can to make these young men realize that the moral forces behind the things for which we stand are the things for which we are fighting. Fundamentally we are fighting for peace in the world, and for the welfare of all the people in the world, not only ourselves but for all the people.

Never in the history of the world has there been a great nation with the powerful backing which we have that has followed the path which we followed since the victory on May 8, 1945, and on September 2, 1945. We have helped to rehabilitate the countries which were defeated. Study your history. Never before in the history of the world will you find that situation prevailing.

Now I hope you will back this Committee with everything you have. In case you do that, these young men will come out of the armed services with something they could gain nowhere else. I served in the Armed Forces once, and I know what I am talking about.

I can't tell you how much I appreciate the interest you have taken in this procedure which we are following. I hope you will continue that interest, and that these young men now in the service will receive the same sort of treatment that they would have received before May 8th, 1945.

Thank you very much.

NOTE: The President spoke at 10 p.m. at the opening session of the Conference held at the Washington Hotel in Washington. The Conference was called by the President's Committee on Religion and Welfare in the Armed Forces, and was held in Washington on May 25 and 26.

The President's opening words referred to Frank L. Weil, chairman of the Committee and the meeting, Dorothy Enderis, Truman Gibson, Dr. Lindsley F. Kimball, Mark A. McCloskey, Basil O'Connor, Dr. Daniel A. Poling, Mrs. Ferdinand Powell, Sr., and the Rev. Edmund A. Walsh, members of the Committee.

On April 29, 1949, the White House released a statement by the President's Committee on Religion and Welfare in the Armed Forces calling for the Conference, stating that the main purpose of the Conference would be to acquaint interested individuals and organizations with the unprecedented needs of the peacetime military establishment and to discuss problems raised in the Committee's first report to the President dealing with the subject. See Item 73.

On May 18, 1949, the President's Committee on Religion and Welfare in the Armed Forces issued a release (through the White House) urging civic organizations, "as an opportunity for outstanding public service," to eliminate profiteering and rent gouging on families of military personnel stationed near their communities.

The Committee charged that married servicemen are paying "penthouse rents for chicken coop homes." They said that servicemen cannot compete on equal terms with civilians for available housing. Warning that we may hinder the effectiveness of our Armed Forces, the Committee called for widespread public attention to the problem.

111 Statement by the President Upon Receiving Final Report of the Hoover Commission. *May 26, 1949*

I WISH to express again my appreciation of the work of the Commission on Organization of the Executive Branch of the Government.

In its study of the executive branch, the Commission has been impressed by the size and complexity of our Government. This fact alone has led to the conclusion that only through good management can we weld the governmental organization into a mechanism for carrying on efficiently the public business.

The Commission has thought of good management not in terms of structural changes alone. Good management and good organization require far more than the transfer and consolidation of bureaus. The Commission's reports reflect this point of view. A major recommendation is that certain principles of good management be adopted for the purpose of achieving more efficient and responsible government. In striving for this goal, we all recognize that there are no easy shortcuts. The solution

does not lie in any one action of the Congress or any one order of the President.

I personally concur in the recommendation that the administration of the executive branch be considered the responsibility of the President and, under him, the department heads. I also agree that to discharge this responsibility the President and department heads should have authority commensurate with their responsibility. Only when these conditions are established can there be effective accountability for the conduct of governmental affairs. These are necessary and desirable objectives which have proved intensely practical in their application. I intend to work for their adoption as guides to the effective organization of the Government.

Moreover, I am pressing for followup action on other specific recommendations of the Commission. Improvements in the facilities for the management of our military and foreign affairs have been among the first considerations of the Congress. These two functions are among the most vital in which our Government is engaged. On the subject of foreign affairs reorganization, legislation has already passed the Congress, and the State Department is now active in carrying out a reorganization. A bill to amend the National Security Act is now before the Congress; and although it does not go as far as the Commission or I have recommended, it will open the way for many improvements. Also before the Congress is legislation on the General Services Agency to create one of the major "housekeeping" units recommended by the Commission. Other bills implementing the Commission's recommendations—to create a National Science Foundation, to establish a Department of Welfare, and to provide for higher executive pay—are under congressional consideration.

Other actions carrying out the Commission's recommendations are planned for the near future. If a workable Reorganization Act passes the present Congress in time, I shall submit to this session of Congress a number of plans which, although they may not cover all the recommendations of the Commission, will nonetheless make a start in several important areas. I plan also to submit several additional recommendations for legislative action on matters recommended by the Commission.

In addition to submitting reorganization plans and legislation to the Congress, I have instituted a program within the executive branch for stimulating action to carry out the Commission's recommendations. I am asking each department and agency head to give special attention to the question: "Is your agency doing the best possible job at the lowest cost?" To answer this question each agency head must give that kind of attention to management and operating problems which was recommended by your Commission.

These actions—the requests for statutory changes to place Government officials in a position to do an effective job of management, and increased attention within the executive branch to management improvement—are tangible expressions of my general approval of the major principles underlying the Commission's work.

I have noted that the Commission has been cautious in attaching dollar figures to claims of saving. Anyone who is familiar with this problem realizes that savings which result from improvements in management will take time to achieve. Before substantial savings can be made, new relationships and new ways of doing business must be developed.

I recognize that the best economies which the Government can effect are those which allow the provision of the same or better

service to the public at a lesser cost. This is what the Commission has worked for during the past year and a half; this is what I desire. Since it will take time to accomplish these savings, what is needed now is a redoubling of our efforts toward the objective which the Commission so clearly has set before us.

NOTE: A list of the members of the Commission and citations to their reports is given in the note to the President's message to the Congress on reorganization of the executive branch (Item 94).

112 The President's News Conference of *May 26, 1949*

THE PRESIDENT. [1.] I have today signed Senate bill 1704, an act to strengthen and improve the organization and administration of the State Department.[1]

I will submit to the Senate the following nominations to fill additional posts of Assistant Secretary of State——

Q. Will you read it slowly, please, sir?

THE PRESIDENT. All right. [*Laughter*]

W. Walton Butterworth of Louisiana.

Q. Butterworth?

THE PRESIDENT. Butterworth.

Q. Of Louisiana?

THE PRESIDENT. Yes. John D. Hickerson of Texas. George C.——

Q. Just a minute.

Q. What? George C.?

THE PRESIDENT. Megee—M-e-g-e-e.

Q. Would you spell McGhee again for us, please?

THE PRESIDENT. The way they have it written here is M-e-g-e-e.

Q. Of Texas?

THE PRESIDENT. Should be M-*c*. Of Texas, yes. George C. McGhee of Texas. M-c-*G*-h-e-e.

Edward G. Miller, Jr., of New York.

Q. Edward G. Miller, Jr., of New York.

THE PRESIDENT. George W. Perkins of New York. Assistant Secretary Saltzman has resigned. And I am also sending to the Senate the nomination——

Q. Do you have his first name, Mr. President?

THE PRESIDENT. No, I haven't Saltzman's first name. Charlie[2] will have the release for you when you get out of here.

I am also sending to the Senate the nomination of Adrian S. Fisher of Tennessee to be Legal Adviser to the State Department, which post has been vacant since the elevation of Ernest Gross to an Assistant Secretaryship.

In addition, George F. Kennan of Wisconsin is being nominated for appointment as Counselor for the State Department, to take Mr. Bohlen's place.

Q. Can we have that name again, please, sir?

THE PRESIDENT. K-e-n-n-a-n.

Q. He's the Russian expert, isn't he?

THE PRESIDENT. He has been an adviser to the State Department in a general capacity, but he is the Russian expert, or has been called the Russian expert.

And Bohlen, who was former Counselor, has gone to Paris as Minister.

Q. Where is he from, Mr. President?

THE PRESIDENT. Kennan? From Wisconsin.

[1] For the President's special message to the Congress on reorganization of the Department of State, see Item 47.

[2] Charles G. Ross, Secretary to the President.

Q. Isn't Fisher over at the Atomic Energy Commission now?

THE PRESIDENT. I can't answer the question. I don't know.

Q. Aren't all these career men, Mr. President? I think they are.

THE PRESIDENT. No, they are not. No, I don't think there's—one or two of them that are career men.

Q. Hickerson is.

THE PRESIDENT. Charlie will give you the information, with the background, where they were born, what they have done, and where they were educated—everything of that sort.

Q. Mr. President, can you say just which areas of the world these different men will——

THE PRESIDENT. That will be furnished you in the release.

[2.] Q. Mr. President, Senator Hickenlooper has suggested that Mr. Lilienthal resign.[3] Would you comment on——

THE PRESIDENT. I want to read you a statement, just before you start on that, that will answer a lot of your questions and eliminate a lot of confusion. [*Reading*]: "I personally know that the country's position—what the country's position on atomic energy is. We are making good progress. Our situation has been vastly improved in the last 2 years under the Atomic Energy Commission. I deplore the fact that relatively trivial items have been blown up to proportions that threaten the integrity of the program.

"It is time people stopped getting hysterical when the word 'atom' is mentioned. The plain fact is that the atomic energy program is in good shape, and is in good hands. I hope the Commission will soon be able to get back to work, and that the atomic energy program will cease to be used for preelection campaigns.

"I have every confidence in Mr. Lilienthal."

I don't think I can say anything more emphatic than that.

Does that answer your question? [*Laughter*]

Q. Mr. President, was that last sentence in the statement, or was that something you just added——

THE PRESIDENT. That's in the statement——

Q. ——confidence in Lilienthal?

THE PRESIDENT. No, that's my own conversation.

Q. Would you be good enough to repeat that, please?

THE PRESIDENT. I have the utmost confidence in Mr. Lilienthal. He has made a good chairman, and I am satisfied with the

[3] On May 22, 1949, Senator Bourke B. Hickenlooper of Iowa, ranking minority member of the Joint Committee on Atomic Energy and formerly its chairman, issued a statement to the press stating that the Atomic Energy Commission was "staggering under daily disclosure of evidence of incredible mismanagement" and calling for the resignation of the Chairman, David E. Lilienthal. An investigation by the Joint Committee followed.

For the Joint Committee's report, "Investigation into the United States Atomic Energy Commission," dated October 13, 1949, see Senate Report 1169, parts 1 and 2 (81st Cong., 1st sess.). The report concluded that "the committee is satisfied that the investigation discloses no instance where the Commission violated the McMahon Act," and that the investigation, "while fruitless in proving the charges of 'incredible mismanagement,' has served to highlight the nature of our atomic project and its manifold problems and ramifications, and has further served to bring home to the people of the United States that in operations of such a unique character mistakes and errors of judgment are bound to occur."

On November 23, 1949, the White House released the text of the President's letter accepting the resignation of Mr. Lilienthal as Chairman of the Atomic Energy Commission. Mr. Lilienthal served in the post from October 28, 1946, when he was appointed by the President, until February 15, 1950, when his resignation became effective.

way he has been handling things.

Q. Will Mr. Ross have copies of this statement for us?

THE PRESIDENT. I don't think he has, but we'll have copies made.

Q. Mr. President, last summer, when the Congress was interested in the Communist matter, you said they were "red herrings." Do you feel that is applicable——

THE PRESIDENT. The "red herring" was used in an entirely different connection, and it was exactly correct when it was used.

Q. It would not apply to these circumstances?

THE PRESIDENT. I don't know whether it does or not. Let's wait and see.

Do you know what the definition of "red herring" is?

Q. No.

THE PRESIDENT. Some of you didn't seem to know. It is something that is blown up to take the place of something under cover that somebody else wants to do, that isn't exactly in the public interest. So you won't apply that term to this, yet. [*Laughter*]

Q. If the private power interests get more active, will you apply it——

THE PRESIDENT. We will wait and see.

Q. Mr. President, do you still favor full civilian control of atomic energy?

THE PRESIDENT. I certainly do.

[3.] Q. Mr. President, have you any comment to make on recommittal of the armed services pay bill?

THE PRESIDENT. I am sorry that they recommitted it. I was very much—I would have been very highly pleased if it had passed. It had been worked on very carefully, and was a scientific approach to the service pay of the Army, Navy, and Air Corps.

[4.] Q. Mr. President, are you considering Silliman Evans for the Chairman of the National Security Resources Board?

THE PRESIDENT. No, I am not.

[5.] Q. Mr. President, do you think there is any merit in the proposal that Congress should appropriate funds to finance presidential campaigns for both parties?

THE PRESIDENT. That has been under discussion ever since I have been in the Senate, and I never did come to a conclusion on it. Presidential campaigns have been very capably handled by the different political parties. Senator Hatch started to put that in the Hatch Act, but it didn't get in.

Q. Do you think it might be a good time to put it in?

THE PRESIDENT. I have no comment on the subject at all.

[6.] Q. Mr. President, what do you think about the proposal of Representative Mills of Arkansas to expedite payment of corporate taxes?

THE PRESIDENT. I am not entirely familiar with the subject. Congressman Mills has talked the matter over with me. It is under consideration in the Treasury. You will get an answer as soon as we have had a chance to analyze it.

[7.] Q. Mr. President, the Congress this afternoon passed the District revenue bill, and we understand that Senator Hunt has telephoned the White House and the Budget Bureau asking that action be completed on the bill before the end of this month, in order to save loss of a month's revenue. Have you got any comment on that?

THE PRESIDENT. No comment. We always act on bills just as expeditiously as we can.

[8.] Q. Mr. President, have you abandoned hope of passage this year of legislation increasing the tax rate?

THE PRESIDENT. No, I have not.

Q. May I have that question again?

THE PRESIDENT. He wanted to know if I had abandoned hope of a tax increase, and I said no.

Q. It was mentioned by Mr. Lucas,[4] sir, the other day.

THE PRESIDENT. How's that?

Q. It was mentioned by Mr. Lucas.

THE PRESIDENT. I had been in touch with Mr. Lucas, and he tells me that his complete interview was not published, that he had made the statement that there were a great many things before the Congress, and that it might be necessary to extend the session in order to complete the job which is now before them. And that is exactly what Sam Rayburn said, and I knew that they were in agreement because they were in agreement when they went out of here.

[9.] Q. Mr. President, I would like to ask a question on statehood for Alaska and Hawaii. I believe you are already on record in favor of statehood for both of these territories?

THE PRESIDENT. That is correct.

Q. There is a report on the Hill this morning that you had asked the Rules Committee to report out a bill for statehood for Alaska without regard to Hawaii?

THE PRESIDENT. That is not true. I asked for both of them.

[10.] Q. Mr. President, can you give us any personal preference or priority on bills——

THE PRESIDENT. I can't give you any personal preference or priority. I am for everything having priority.

Q. Can't get it all?

THE PRESIDENT. No. We want to get as much as we can. Doesn't do any good for the Congress to adjourn the 31st of July if we don't get it, either.

[11.] Q. There has been no decision about Dwight Morrow for Ambassador to Belgium?

THE PRESIDENT. No, there has not.

[12.] Q. Mr. President, in your conversation with Mr. Lucas, did he give you a tentative date?

THE PRESIDENT. No, I can't give a tentative date, and neither can anybody else.

Q. Mr. President, to clear it up, are you in favor of holding Congress in session——

THE PRESIDENT. I think Congress ought to finish the job so far as it can; and I think it will.

Q. Until the whole program——

THE PRESIDENT. Doesn't make any difference how long it will take.

Q. Is it possible to include enactment of——

THE PRESIDENT. I am not answering any questions—specific questions about specific bills. My program is before the Congress, and I am for——

Q. National health——

THE PRESIDENT. ——I am for all of them.

Q. Are you satisfied, Mr. President, with the progress of your program so far?

THE PRESIDENT. Yes, I am. I think it has made progress. All this conversation is to prevent the making of progress.

[13.] Q. Mr. President, what do you think of this Tydings resolution for a 5 percent cut on all——

THE PRESIDENT. I am not in favor of it. That is not the way for the Congress to act on appropriation bills.[5]

Q. How about the ECA cut?

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[4] Senator Scott W. Lucas of Illinois, Senate majority leader. After an interview with Senator Lucas on May 24 the press reported that congressional leaders hoped to adjourn the current session by July 31, even if measures given high priority by the administration had to be postponed until the next session.

[5] S.J. Res. 94 introduced May 19 by Senators Millard E. Tydings and Herbert R. O'Conor of Maryland and by Senator Clyde M. Reed of Kansas. This was one of a number of bills the general purpose of which was to reduce expenditures by providing for an across-the-board cut of 5 or 10 percent in each appropriation bill as enacted.

THE PRESIDENT. I am not for it. I think it is a bad idea, especially with the foreign ministers sitting in Paris.

[14.] Q. Mr. President, could you tell us that—a little more fully—specifically, how the tax legislation will get before the Congress at this session?

THE PRESIDENT. I can't answer that question. That is up to the Congress. I tell them what I think the country ought to have, and it is up to the Congress to work it out. I can't run the legislative branch of the Government. It's none of my business.

[15.] Q. Some of us got the rather firm impression from Senator Lucas the other morning that, aside from pending matters before the Congress, there were three matters that he said had ranking priority, one of which was labor, the other reciprocal trade, and the other was the North Atlantic Pact; that some of the other legislation on the program, such as taxes, such as national health insurance, might not get to the——

THE PRESIDENT. I can't answer a hypothetical question, Bob.[6] That's all that is.

[16.] Q. Mr. President, are you considering a new assignment for Governor Ernest Gruening of Alaska?

THE PRESIDENT. I am not. I appointed him Governor of Alaska, and he is going to stay Governor of Alaska. [*Laughter*]

[17.] Q. Mr. President, you haven't indicated on the District sales tax whether you approve the——

THE PRESIDENT. I will tell you what I will do with it when it comes before me in the form of a bill. When it gets here, I will tell you what I will do with it.

[18.] Q. Mr. President, getting back to Lilienthal, will you renew your plan to restore the full terms—the staggered terms of——

THE PRESIDENT. I suggested that that be done, and I think it will be done before this Congress adjourns.

[19.] Q. Mr. President, you are still planning to go to Little Rock next month?

THE PRESIDENT. I have it under consideration.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're entirely welcome.

NOTE: President Truman's one hundred and eighty-third news conference was held in his office at the White House at 4 p.m. on Thursday, May 26, 1949.

[6] Robert G. Nixon of International News Service.

113 The President's News Conference of *June 2, 1949*

THE PRESIDENT. I have no special announcements to make this morning. I will do my best to answer questions.

[1.] Q. Sir, have you seen Senator Neely this morning?

THE PRESIDENT. Senator Neely stopped by on his way to the Senate this morning.

Q. May I ask a question, as to what his business was?

THE PRESIDENT. He just was talking to me about the general legislative situation.

Q. Not particularly about Russell Young?

THE PRESIDENT. No, no. He wasn't even mentioned.

[2.] Q. Mr. President, if Sam Rayburn worked out a compromise with the States on tidelands legislation, would you accept it?

THE PRESIDENT. I will answer that question when the bill comes before me.

[3.] Q. Mr. President, have you passed up that big meeting of ours out in Des Moines, Iowa?

THE PRESIDENT. Yes, I will have to pass it up, I am sorry to say.

Q. That's the Democratic Farm Leaders——

THE PRESIDENT. Yes.

Q. ——that's the meeting——

[4.] Q. Mr. President, have you any comment on the action of the British court in releasing Gerhart Eisler?

THE PRESIDENT. No comment.

Q. Mr. President, we can't hear any of those questions——

THE PRESIDENT. He wanted to know if I had any comment on the release of Eisler. I said I had no comment.

[5.] Q. Mr. President, there was recently established a United States-Argentina Joint Commission on commercial studies, aimed at some possible trade improvement with Argentina. I wanted to ask if that had come to your personal attention, and whether you had any observations regarding it?

THE PRESIDENT. I was consulted about the appointment of the Commission. That is as far as it went.

Q. Is there some hope——

THE PRESIDENT. Well now, we can tell more about that when the Commission does its work. That's what the Commission was appointed for.

[6.] Q. Mr. President, there is a report in Manila that the President of the Philippines is coming here to discuss American policy in China. Have you heard anything about it?

THE PRESIDENT. No, I haven't.

[7.] Q. Mr. President, what happened to the thousand postmasters that you were going to send up to the Hill?

THE PRESIDENT. They have been going up regularly.

Q. A thousand one day.

THE PRESIDENT. I sent a thousand one day, and they have been going up in batches whenever they were ready.

Q. Two thousand the other day.

[8.] Q. Mr. President, is the job of Secretary of the Army still open to Curtis Calder?

THE PRESIDENT. I suppose so.

Q. Have you heard from him?

THE PRESIDENT. There has been no change in the situation.

[9.] Q. Mr. President, do you expect to have the appointment of an Ambassador to Belgium soon?

THE PRESIDENT. I will announce it when we are ready to make the appointment.

[10.] Q. Mr. President, would you favor an Export-Import Bank loan to Spain for purchase of American cotton?

THE PRESIDENT. I will not. I do not favor it.

[11.] Q. Mr. President, are you considering naming any woman as Ambassador to Denmark, or any other European country?

THE PRESIDENT. Yes, I have had several women under consideration for Ambassadors to several countries, but I am not ready to make an announcement yet.

[12.] Q. Mr. President, can you give us any more information about the agenda for the first session of Congress?

THE PRESIDENT. I didn't understand the question?

Q. I mean, is there anything being added to the "must" list of Congress for this session?

THE PRESIDENT. No. The "must" list was included in three very large messages which I sent to the Congress, one on the State of the Union, one on the budget, and one on economics; and that is the "must" list.

Q. That is the "must" list for the first session?

THE PRESIDENT. That is the "must" list for the Congress, so far as I am concerned.

Q. Mr. President, there seems to be no intention up there of complying. What will you do, if they quit without it?

THE PRESIDENT. Well now, you can't very well come to that conclusion, Miss May,[1] at all. [*Laughter*] You can't come to that conclusion, because you never can comment on the work of a session of Congress until it's over.

[13.] Q. Mr. President, do you intend to stay in Washington as long as Congress does?

THE PRESIDENT. Yes—and perhaps longer. [*Laughter*]

Q. I wasn't referring to another 4 years.

Q. No vacation, then, this summer?

THE PRESIDENT. I mean that literally, for this year. [*Laughter*]

Q. That's what I was referring to.

Q. Aren't you taking any vacation, Mr. President?

THE PRESIDENT. Well, I took a 3-day vacation the other day, and I may take some 3-day vacations like that; but I am going to stay here until my work is as nearly completed as it can possibly be.

Q. In other words, you have no vacation plans?

THE PRESIDENT. I have no vacation plans. But, if I do have any, I will give you all plenty of notice so that you can get your trunks packed.

Q. Mr. President, what happened to that train trip that you mentioned several months ago?

THE PRESIDENT. Well, that train trip was not in contemplation for immediate use. It is still on the shelf and can be revived if it is necessary.

Q. Might be used in August or September?

THE PRESIDENT. No, definitely not.

Q. Mr. President, is it possible that it might not be necessary?

THE PRESIDENT. Yes it is—very possible. It might not be necessary.

Q. How about next year? Might it be necessary then, Mr. President? [*Laughter*]

THE PRESIDENT. Well, now you are going quite a way into the future. I think you had better let next year take care of itself.

Reporter: Well, thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's one hundred and eighty-fourth news conference was held in his office at the White House at 10:30 a.m. on Thursday, June 2, 1949.

[1] Mrs. May Craig of the Portland (Maine) Press Herald.

114 Address to the President's Conference on Highway Safety. *June 2, 1949*

General Fleming, ladies and gentlemen of the Highway Safety Conference:

When we first met here in Washington 3 years ago, I joined with you in making an appeal to all motorists and pedestrians for safer and more sensible conduct.

At that time, wartime restrictions on driving had just been lifted, and highway accidents were increasing very rapidly. To meet that challenge, this conference worked out a practical and comprehensive action program for highway safety, and urged all States and communities to adopt it.

The results have been encouraging. A substantial number of States and communities have adopted the highway safety

program worked out by this conference. Between 1946 and 1948 the number of vehicles on the streets and highways of America and the number of miles they traveled increased about 20 percent. Yet the number of traffic fatalities declined.

If nothing had been done to improve highway safety conditions on the highways, and the death rate had remained the same as it was in 1946, we would have had nearly 25 percent more deaths and accidents in 1948 than actually did occur.

We have saved, through our safety programs, almost 11,000 lives and have prevented injury to nearly 400,000 persons; and I think that has made this conference worth while.

Nevertheless, the frightful slaughter on our streets and highways continues. Last year 32,000 people were killed in traffic accidents and more than 1 million were injured. To put it another way, more than twice as many Americans were killed last year on the streets and highways of this country as were killed in all the American Forces during 6 weeks of the Normandy campaign in 1944. You know, no nation can afford this needless peacetime waste of the lives of its citizens in traffic accidents.

The problem of safety becomes more serious as the volume of vehicle traffic increases. There is every indication that we will have more miles of travel and resulting casualties on the road this year than we have ever had. The program of highway safety must be expanded and intensified.

You know, over the weekend, Decoration Day, some 429 people lost their lives. More than half that number were killed in traffic accidents.

Now, if a town had been wiped out by a tornado or a flood or a fire and killed 429 people, there would be a great hullabaloo about it. We would turn out the Red Cross, and we would have the General declare an emergency, and I don't know what-all. Yet, when we kill them on the road, or unnecessarily drown them, in accidents that shouldn't happen, we just take it for granted. We mustn't do that.

I hope that your deliberations this week will produce new and useful methods for getting that program applied more widely.

The annual inventory of traffic safety activities is a useful yardstick and factual guide by which a community or State, or the country as a whole, can measure progress, and find out the specific measures necessary to make its program more effective.

For the country as a whole, the current inventory shows many promising gains—and some disappointments.

I am particularly disappointed at the failure of many States to establish driver licensing systems worthy of the name. In too many cases the laws are pitifully weak, and the procedures for driver examinations are scandalous.

I am sorry to relate that my great State of Missouri is still in that column. Terrible! Why, a man can go down to a drugstore from an insane asylum and spend a quarter and get a license to drive on any road in that State, if he wants to.

Here in the District, not long ago, whose driving laws are very strict, they found four men who couldn't see an inch in front of their noses, with driving licenses issued by one of these 25 States that don't take care of their populations.

State and local governments have a duty to deny the privilege of using public highways to the irresponsible, the unfit, and the chronic law violators. The American people stand ready at all times to support and cooperate with sensible regulations, capably

administered, which are essential to the protection of life and property.

The national inventory also shows a deficiency in the collection and use of accident reports. Many laws are not adequate and administration is below standard in some instances. The proper use of accident facts is fundamental to the entire highway safety program, and I hope the Conference will give this matter its attention.

Gratifying progress is reported in other segments of the program.

Especially heartening is the fact that a growing number of our high schools now offer driver education and training courses to their teenage students. Trained boys and girls have traffic records twice as good as those who do not have the benefit of such courses.

It takes years and years, you know, for a man to drive a steam engine down the tracks which it can't get off, yet we let anybody get a driving license for an automobile whether he knows front from back or right from left.

Highway construction has gained momentum during the last 18 months, after considerable delay due to shortages of materials and other factors. The modern features which are being incorporated into new and reconstructed arteries of travel will go far toward eliminating head-on collisions and some of the other more severe types of accidents.

Notable gains are reported also in the improvement of traffic court administration, in the supervision of traffic by enforcement agencies, and in the enactment of uniform motor vehicle laws and ordinances.

Newspapers, magazines, and radio broadcasts are giving more constructive attention to highway safety than ever before. A thorough public understanding of the problem is essential, and these agencies are giving splendid assistance.

All in all, this conference can review a record of solid accomplishment. At the same time, you face clearly defined needs for more intensive work.

I am confident that you will succeed. The highway safety movement stands today as a practical demonstration of our capacity for teamwork.

Government, business and industry, labor, farm groups, veterans, housewives, civil, religious, and professional organizations—all are working together in a common cause.

In hundreds of communities across the land, citizens individually and in organized groups have dedicated themselves to the objectives of this program, and have joined with their public officials in a concerted effort to achieve those objectives.

We are privileged to have with us this week, as observers, distinguished representatives of many other countries. I welcome them most cordially to this conference. Like many other problems, highway safety is a matter of worldwide concern, and all nations can benefit from the exchange of information and ideas.

This entire program has been developed and set in motion by voluntary teamwork. And the spirit which makes it possible is the spirit of a free people and the guarantee of our system of democracy.

Thank you very much.

NOTE: The President spoke at 2:45 p.m. at Constitution Hall in Washington. His opening words referred to Maj. Gen. Philip B. Fleming, general chairman of the President's Conference on Highway Safety. The Conference was held in Washington on June 1, 2, and 3.

For the President's letter to the Governors of the States convening the Conference, see Item 26.

For the meeting held "3 years ago" see 1946 volume, this series, Item 106.

115 Remarks to the Foreign Delegates of the Inter-American Bar Association. *June 2, 1949*

WE ARE most happy to have you in this Republic of ours.

I understand that you have listened to addresses by able and distinguished lawyers, the Vice President of the United States, the Senior Senator from New Mexico, and a great many of our distinguished barristers from around over the country.

And now I am glad to welcome you, in the name of the common people of the United States, whom I represent in the Presidency, not being a lawyer myself.

I hope that your meeting has been constructive. I hope you have added to the knowledge of international law and international trade, and that you have helped cement further the friendship which we have for all of your countries represented here.

I appreciate your coming, and I hope that you will continue to enjoy yourselves as long as you are in this country, and that you will have a happy trip home.

You know, I pinned a medal on General Montgomery out here in the yard one day, shortly after the war, and he inquired of me why that building is called the White House.

I told him that in 1814 a British regiment burned it down and smoked it all up so that we had to paint it white to wash off the British burns. And he asked me whether it wouldn't be well for me to come over and burn Whitehall. I hold him that I didn't think that would be at all proper, that we had lived in peace and amity for nearly 150 years, and we want to continue that way, and that we would probably be more likely to help him rebuild Whitehall, as it was damaged in the war.

And of course that pleased him immensely. And we want all of our neighbors to feel that we are a good neighbor. I think the best demonstration to you of our good-neighbor policy is the fact that our neighbors to the north and south of us are not afraid of us. They are our friends, and we are theirs.

We want to continue that.

Thank you very much.

NOTE: The President spoke at 3:25 p.m. in the Rose Garden at the White House. During the course of his remarks the President referred to Vice President Alben W. Barkley, Senator Dennis Chavez of New Mexico, and Field Marshal Viscount Montgomery of Great Britain.

116 Address at a Dinner in Honor of General George C. Marshall. *June 5, 1949*

Mr. Ambassador, Your Excellencies, General Marshall, distinguished guests:

We of the United States are grateful to the other nations represented here tonight for honoring George C. Marshall. We are happy to join with them in this tribute to one of the greatest Americans of all time.

The nations represented here owe as much to General Marshall, in war and in peace, as they owe to any other one man in the world. That is my opinion.

He shaped the victory of the Allies in the recent war to an extent that may not yet be fully realized. He was one of coequals among Joint Chiefs of Staff, and Combined Chiefs of Staff. Yet by the authority of his character and the quality of his judgment, his influence was predominant in develop-

ing the strategy that brought complete victory. And nobody knows that better than I do.

Although General Marshall had richly earned the right to retire when the war ended, I asked him to give further of his great talent to the service of his country. His response was generous and complete—the response of a soldier and a patriot. His answer was, "Yes, Mr. President, I will do it." I wish a great many of our citizens would take that same attitude, at times.

As Secretary of State in a critical period, he rose to new heights of leadership and achievement. He had been the master strategist of the war; now he rallied the democratic forces for peace. He found the free nations near despair and uncertain of their future course.

He restored their confidence.

He revived their belief in the strength and the ultimate triumph of the cause of freedom and democracy.

When our times are viewed in the long perspective of history, I think General Marshall will be more widely remembered for the peacetime effort which bears his name than for his services in the war years, important though they were.

This is because the countries represented here tonight have embarked on a new venture in the history of nations. It is not new for nations to fight together against a common enemy. But it is new for nations to work together, as our nations are working together now, in close economic cooperation to create a better life for their citizens and to build a lasting peace in the world.

I believe that, in years to come, we shall look back upon this undertaking as the dividing line between the old era of world affairs and the new—the dividing line between the old era of national suspicion, economic hostility, and isolationism, and the new era of mutual cooperation to increase the prosperity of people throughout the world.

General Marshall will be known as one of those who brought this new era into being. But he would be the first to agree that it is more than the creation of statesmen. It comes from the minds and hearts of all the people. Our peoples are united in their determination to work together to deal with the basic problems of human life.

This is the strength of the European recovery program—the Marshall plan. It was developed in concert and is being carried out by cooperative action. Western Europe is recovering its economic strength. The spirit of democracy and self-reliance is resurgent. Economic recovery is matched by a revival of hope, confidence, and faith in the capacity of people to govern themselves wisely and justly, and to build a better world through their own efforts.

We have made real progress up to this time. But the ultimate test still lies ahead. None of us can afford to relax our efforts. I am confident that with mutual devotion to our common cause we shall succeed.

Our great hope for peace and prosperity lies in the developing sense of unity among the free nations of the world. We have learned full well that no nation can live to itself alone. We have also learned that when the free peoples of the world stand united they are unconquerable.

The United States will continue to dedicate its strength and its resources to the building of a peaceful and prosperous world. That we will do in the spirit so well exemplified by this great American we are honoring here tonight.

NOTE: The President spoke at 10:50 p.m. at the Carlton Hotel in Washington. The dinner was given by the Chiefs of Mission of the 16 Marshall plan

countries, on the second anniversary of General Marshall's speech at Harvard University in which he first enunciated the broad outlines of the European recovery program.

In his opening words the President referred to Wilhelm Munthe de Morgenstierne, Norwegian Ambassador and dean of the diplomatic corps, who served as spokesman for the hosts, and to the ambassadors or ministers of the remaining Marshall plan countries.

117 Special Message to the Congress Recommending Continuation of Economic Assistance to Korea. *June 7, 1949*

To the Congress of the United States:

I recommend that the Congress authorize the continuation of economic assistance to the Republic of Korea for the fiscal year ending June 30, 1950.

The United States is now providing relief and a small amount of assistance in rehabilitation to the Republic of Korea under Public Law 793–80th Congress. The continuation of that assistance is of great importance to the successful achievement of the foreign policy aims of the United States. The authority of the present Act extends only until June 30, 1949. For this reason legislation is urgently needed and I am hopeful that the Congress may give it early consideration.

The people of the United States have long had sympathetic feelings for the Korean people. American missionaries, supported by American churches of many denominations, brought spiritual guidance, education and medical aid to the Korean people during their forty years of Japanese bondage. All Americans who have come to know the Korean people appreciate their fierce passion for freedom and their keen desire to become an independent nation.

Early in the war with Japan, it was resolved that Korea should be liberated. In the Cairo Declaration of December, 1943, the United States joined with the United Kingdom and China to express their determination that in due course Korea should become free and independent. This pledge was reaffirmed in the Potsdam Declaration of July 26, 1945, with which the Soviet Union associated itself upon its entrance into the war against Japan in the following month. With our victory over Japan, it was hoped that the Korean nation would be reborn. Unfortunately, however, only the people of Korea south of the 38° parallel have thus far attained their freedom and independence.

The present division of Korea along the 38° parallel was never intended by the United States. The sole purpose of the line along the 38° parallel was to facilitate acceptance by the Soviet and United States forces of the surrender of Japanese troops north and south of that line. Immediately after the completion of the Japanese surrender, the United States through direct negotiations with the Soviet Union sought to restore the unity of Korea.

For two years these efforts were rendered unavailing by the attitude of the Soviet Union. When it became apparent that further delay would be injurious to the interests of the Korean people, the United States submitted the matter to the General Assembly of the United Nations, in the hope that the United Nations could assist the people of Korea to assume their rightful place as an independent, democratic nation.

By vote of an overwhelming majority, the General Assembly adopted a resolution on November 14, 1947, calling for an election,

under the observation of a United Nations Temporary Commission on Korea, to choose a representative National Assembly for the purpose of drafting a democratic constitution and establishing a national government. The Soviet Union refused to permit the United Nations Commission to enter its zone. Consequently, the right of the Korean people to participate in a free election to establish a free government was confined to south Korea. As a result of this election, the Government of the Republic of Korea was inaugurated August 15, 1948.

The General Assembly of the United Nations at its next session considered the report of its Commission and in December, 1948, adopted a resolution holding the Government of the Republic of Korea to be the validly elected, lawful government of the area in which elections were held under the Commission's observation—and the only such government in Korea. The General Assembly established a re-constituted Commission to consult with the occupying powers on the withdrawal of their forces and to continue to work for the unification of Korea under representative government.

The United States terminated its military government in Korea upon the inauguration of the Government of the Republic of Korea and recognized the new government on New Year's Day, 1949.

The December, 1948, resolution of the General Assembly called on the occupying powers to withdraw their forces as soon as practicable. The United States has thus far retained a small number of troops in Korea at the request of the Government of the Republic to give the Republic an opportunity to establish forces adequate to protect itself against internal disturbances and external attacks short of an aggressive war supported by a major power. A military advisory group requested by the Korean Government for training purposes will be retained in Korea after the withdrawal of United States troops.

The debilitated state in which the Korean economy was left by the Japanese has been accentuated by the separation of the hydroelectric power, coal and metal and fertilizer industries of the north from the agricultural and textile industries of the south and by the effects of continuing communist agitation. The United States has furnished the people of south Korea with basic relief during the period of military government. Despite such assistance, however, the Republic is still far short of being able to support itself, even at the present modest standard of living of its people. It is in urgent need of further assistance in the difficult period ahead until it can stand on its own feet economically.

The aid now being provided to Korea is essentially for basic relief. Without the continuation of such relief, its economy would collapse—inevitably and rapidly. Bare relief along, however, would not make it possible for the Republic to become self-supporting. The Republic would remain dependent upon the continuation of relief from the United States at a costly level into the indefinite future—and subject to the same inevitable collapse at any time the relief should be withdrawn. For these reasons the aid granted should be not for mere relief but for recovery. The kind of program which is needed is the kind which the Congress has authorized for the countries of Western Europe and under which those countries have achieved such rapid progress toward recovery during the past year. Full advantage should be taken of the broad and successful experience in Western Europe by continuing responsibility for the administration of the Korean aid program in the

Economic Cooperation Administration, which has been administering aid to Korea since January 1 of this year.

Prior to January 1 of this year, aid to Korea was administered by the Army as a part of its program for government and relief in occupied areas. The Budget which I submitted to the Congress in January contemplated that economic assistance to Korea would be continued outside of the Army's program for government and relief in occupied areas. The needs of the Republic of Korea for economic assistance have been carefully studied in the light of the latest available information. I am convinced that the sum of $150,000,000 is the minimum aid essential during the coming year for progress toward economic recovery.

Such a recovery program will cost only a relatively small amount more than a bare relief program. Yet a recovery program—and only a recovery program—will enable the Republic of Korea to commence building up the coal production, electric power capacity and fertilizer production which are fundamental to the establishment of a self-supporting economy and to the termination of the need for aid from the United States. Aid in the restoration of the Korean economy should be less costly to the United States in the end than a continued program of relief.

The recovery program which is recommended is not only the soundest course economically but also the most effective from the standpoint of helping to achieve the objectives of peaceful and democratic conditions in the Far East.

Korea has become a testing ground in which the validity and practical value of the ideals and principles of democracy which the Republic is putting into practice are being matched against the practices of communism which have been imposed upon the people of north Korea. The survival and progress of the Republic toward a self-supporting, stable economy will have an immense and far-reaching influence on the people of Asia. Such progress by the young Republic will encourage the people of southern and southeastern Asia and the islands of the Pacific to resist and reject the communist propaganda with which they are besieged. Moreover, the Korean Republic, by demonstrating the success and tenacity of democracy in resisting communism, will stand as a beacon to the people of northern Asia in resisting the control of the communist forces which have over-run them.

The Republic of Korea, and the freedom-seeking people of north Korea held under Soviet domination, seek for themselves a united, self-governing and sovereign country, independent of foreign control and support and with membership in the United Nations. In their desire for unity and independence, they are supported by the United Nations.

The United States has a deep interest in the continuing progress of the Korean people toward these objectives. The most effective, practical aid which the United States can give toward reaching them will be to assist the Republic to move toward self support at a decent standard of living. In the absence of such assistance, there can be no real hope of achieving a unified, free and democratic Korea.

If we are faithful to our ideals and mindful of our interest in establishing peaceful and prosperous conditions in the world, we will not fail to provide the aid which is so essential to Korea at this critical time.

HARRY S. TRUMAN

NOTE: On October 10, 1949, the President signed the Third Deficiency Appropriation Act of 1949, which provided for assistance to the Republic of Korea (63 Stat. 738). On February 14, 1950, the President signed the Far Eastern Economic Assistance Act of 1950 (64 Stat. 5).

118 The President's News Conference of *June 9, 1949*

THE PRESIDENT. I haven't any special announcements to make, but I will try to answer questions.

[1.] Q. Mr. President, have you been in direct communication with Secretary Acheson since he went to Paris? [1]

THE PRESIDENT. Every day since he has been down there.

Q. Yes. Is there any promise of success on any phase of the negotiations——

THE PRESIDENT. I can't answer that question. I am not present.

Q. Mr. President, is that contact by teletype or——

THE PRESIDENT. No. I get messages from him every day, and he usually gets one from me every day. I haven't talked with him by teletype or over the phone, but I have been in touch with him every day.

[2.] Q. Mr. President, did you see Joseph Dodge, Detroit banker, this week?

THE PRESIDENT. No, I haven't seen him yet. He is coming to see me, but I haven't seen him yet.

[3.] Q. Mr. President, can you tell us what you discussed with Congressman Chatham today?

THE PRESIDENT. Let me see——

Q. Came in with Mr. Gray.[2]

THE PRESIDENT. North Carolina politics, I think, is what was discussed—an effort on their part to get me to pay a visit to North Carolina.

Q. Mr. President, any possibility of that?

THE PRESIDENT. I hope so.

Q. Fine.

THE PRESIDENT. Here is another North Carolinian over here,[3] in the same frame of mind.

Q. Mr. President, Mr. Gray said simply that he had thanked you for appointing—promoting his nephew to Secretary——

THE PRESIDENT. That was in the conversation also. He expressed his gratitude for the appointment of his nephew.

[4.] Q. Mr. President, would you like to say anything about the B–36 controversy? [4]

THE PRESIDENT. No. I have nothing to say.

[5.] Q. Mr. President, there has lately been a notable increase in the number of trials, investigations, and charges about espionage and disloyalty, and that sort of thing. Do you feel that these are motivated in any part by other than natural——

THE PRESIDENT. Just a natural desire for headlines, principally. [*Laughter*]

[6.] Q. Mr. President, do you think the atomic energy investigation is serving anything but producing headlines? [5]

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[1] The sixth session of the Council of Foreign Ministers was held in Paris from May 23 to June 20, 1949. The announced purpose of the meeting was to hold discussions on the situation with regard to Germany.

For the statement by the President reporting on the Paris meeting, see Item 136.

[2] James A. Gray, chairman of the Reynolds Tobacco Company.

[3] Jonathan Daniels, Secretary to the President during the Roosevelt administration.

[4] This has reference to the differences of opinion between the armed services over appropriations. The Air Force desired an increase in appropriations in order to enlarge the B–36 procurement program. The Navy wanted to carry on the work on their "super" carrier program.

From August 9 through October 5, 1949, hearings were held before the House Committee on Armed Services on H. Res. 234, a resolution authorizing and directing thorough studies and investigations relating to matters involving the B–36 bombers. The hearings were published by the Government Printing Office (1949, 664 pp.).

[5] See Item 112 [3].

THE PRESIDENT. I have no comment on that.

Q. Would you care to comment, Mr. President, on the fact that it appears that the atomic energy investigation is now becoming another loyalty probe, seeking to expose individuals——

THE PRESIDENT. I don't care to comment on that. We will wait until they get through and see what sort of report they make. It will speak for itself.

[7.] Q. Are you contemplating any change in the American ambassadorship to London, sir?

THE PRESIDENT. No. Mr. Douglas has agreed to stay. He has recovered from his eye injury, and he is going to stay there.

[8.] Q. Mr. President, have you decided about Dwight Morrow as Ambassador to Belgium?

THE PRESIDENT. No. No, I haven't.

[9.] Q. Mr. President, is your opinion of Mr. Lilienthal the same as it was a couple of weeks ago? [*Laughter*]

THE PRESIDENT. Yes. My opinion hasn't changed a bit. It is expressed as strongly as I can make it.

[10.] Q. Mr. President, an emissary from the President of China said today that he would like to talk to you about plans for defending China. Do you have that appointment——

THE PRESIDENT. I didn't know he was in the country until I saw it in the paper.

[11.] Q. Mr. President, would you tell us what you discussed with Representative Johnson this morning?

THE PRESIDENT. You mean Senator Johnson? [6]

Q. Senator Johnson. [*Laughter*]

THE PRESIDENT. The general legislative program and situation in the Senate with regard to certain bills that are pending down there.

[12.] Q. Mr. President, can you tell us, sir, why the secretaryship of the Army did not go to Mr. Calder instead?

THE PRESIDENT. Because he couldn't take it. His job had him tied up so he couldn't accept it for 9 months to come, and we couldn't wait that long.[7]

[13.] Q. Mr. President, do you feel that the action of John L. Lewis in shutting down the coal mines shows the need for repeal of the Taft-Hartley law?

THE PRESIDENT. No, I don't. John L. Lewis is another headline hunter. [*Laughter*]

[14.] Q. Mr. President, recently the lobby that met against your health program was disbanded, and then the other day the AMA dropped Dr. Fishbein. Do you think that this indicates some rise in public opinion behind your health program?

THE PRESIDENT. Yes, I do. I think they have discovered that there are a lot of physicians that are not in sympathy with Mr. Fishbein—Dr. Fishbein, I should say.

[15.] Q. Mr. President, would you care to comment on the Nation's unemployment figures? [8]

THE PRESIDENT. No.

[16.] Q. Mr. President, the delegate from Hawaii was in to see you yesterday

[6] Senator Lyndon B. Johnson of Texas.

[7] On June 7 Gordon Gray was nominated as Secretary of the Army. He was confirmed by the Senate on June 9 and was sworn in on June 20.

[8] The President's Midyear Economic Report (see Item 151) states that a moderate downward trend characterized most phases of economic activity in the first half of 1949. "The unemployed were 6 percent of the civilian labor force in June, compared with 3.4 percent in June of last year. The number of unemployed in June was 3.8 million, and acute unemployment problems have developed in certain localities."

about the strike situation out there, and he came away with the impression that you felt you did not have power to intervene?

THE PRESIDENT. He stated the case exactly, when he went out of here, for which I was thankful—they hardly ever do that. [*Laughter*]

Q. Since then he has introduced a bill to try to give the Government powers so that Territories can't be cut off in such emergencies. While I know you wouldn't comment on an individual bill, would you say anything about the principle of that bill?

THE PRESIDENT. Well, when he came in and talked with me, he decided on his own volition that the best place for him to go was to the Congress, and that it is where he went.

[17.] Q. Mr. President, apropos the Atlantic Pact, do you care to make any comment about your own powers and prerogatives? I think you have made yourself clear that the war-making power belongs to Congress, but they are still arguing about it. Perhaps——

THE PRESIDENT. Well now, I suggest that you read the Constitution of the United States, and you will find out just exactly who has the powers to declare war. It is set out there without any chance of misconstruing it. It hasn't had to be taken to the Supreme Court.

[18.] Q. Mr. President, did you have a conference with Secretary Johnson today?

THE PRESIDENT. No. No. I didn't see Secretary Johnson today.

Q. Mr. President, have you decided on an Under Secretary for the Army?

THE PRESIDENT. No, I haven't.

[19.] Q. Mr. President, could you comment on the status of Korea after the American troops withdraw?

THE PRESIDENT. No, I can't. You'll have to wait and see what happens. I asked for continued aid to Korea on the European recovery program plan, which I hope the Congress will give us.

[20.] Q. Mr. President, do you think that you have adequate powers, either now or in the administration's labor bill, to deal with this coal strike?

THE PRESIDENT. I can't answer that, until we are faced with it.

This is not supposed to be a strike. I understand that it is some sort of special sitdown so that the coal surplus can be used up and they will be in a better bargaining position on the 30th of June. That is my understanding of the program. It isn't a strike, so I am told. [*Laughter*]

Q. Cessation, I think, isn't it, Mr. President?

THE PRESIDENT. It's a rest!

[21.] Q. Mr. President, are you considering a proposal to make the present Jefferson Barracks a national monument?

THE PRESIDENT. I have already proposed it.

Q. Is there any action on it?

THE PRESIDENT. I don't know. I am talking to the Interior Department about it, and with the Missouri representatives from St. Louis County on the subject. I think it ought to be, in connection with that Jefferson Park, a national monument.

[22.] Q. Mr. President, a group of educators have recommended that Communists be barred from teaching in colleges. Do you agree with that position?

THE PRESIDENT. Well now, the teachers know more about that situation than I do. I don't think that anybody ought to be employed as instructors for the young people of this country who believes in the destruction of our form of government.

[23.] Q. Mr. President, would you favor constitutional amendment to abolish poll taxes?

THE PRESIDENT. I think the poll tax can

be abolished otherwise. A constitutional amendment is just an effort to prolong the agony.

Q. Mr. President——

Reporter: Thank you——

THE PRESIDENT. Somebody wanted to ask a question. [*Laughter*]

[24.] Q. There seems to be a disposition in some quarters to let the agricultural program slide over until next year. How pressing do you regard that?

THE PRESIDENT. I regard it just as pressing as any other legislative program that fits in with the Democratic platform, which we promised to carry out.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's one hundred and eighty-fifth news conference was held in his office at the White House at 4 p.m. on Thursday, June 9, 1949.

119 Informal Remarks in Little Rock, Arkansas, in Connection With the Reunion of the 35th Division Association. *June* 10–11, 1949

[1.] AT THE ROBINSON AUDITORIUM (JUNE 10, 3:48 P.M.)

Mr. President, distinguished guests, and members of the 35th Division:

I am most happy to be here. I am only here in my capacity as a member of the 35th Division. Tomorrow I will address you as President of the United States, and I am afraid you will have to listen, whether you like it or not.

I hope to have a pleasant time in Little Rock, as I always have when I come here. I have been here a dozen times—one of the most hospitable cities in the United States. They know how to treat you, they know how to make you like it, and want you to come back.

I will see more of you later on in the day.

I appreciate the welcome that everybody has given us here this afternoon.

Thank you very much.

[2.] AT THE RECEPTION, HOTEL MARION (JUNE 10, 5:05 P.M.)

Governor McMath, members of the 35th Division organization, and distinguished members of the Arkansas delegation in Congress:

It is a pleasure for me to be here this afternoon. I made an arrangement with the arrangements committee to see all of you and to shake hands with you by proxy. So, if all of you will shake hands with your next-door neighbor, I will shake hands up here.

Last year, when we were in the White House, Mrs. Truman shook hands with 50,000 people. I shook hands with 25,000. On this short campaign which I took over the country, I shook hands with about, I'd say, 200,000 people altogether during the whole period. This right arm of mine has to sign documents officially—no matter whether I am in Washington or here—at the rate of an average of 600 a day. So I have to protect it just a little bit.

I am not refusing to shake hands with you, but if it continues the time may come when the President may not be able to sign his mail. Then what will happen to the country! None of you will get paid, for one thing!

It has been a privilege for me to have the opportunity to come down here. The fact that you are having this on a week-

end has given all the Members of Congress from Arkansas a chance to come down and be with you.

I don't think that red-headed cousin of mine will believe this, but I don't think I have missed a meeting of the 35th Division Reunion since the First World War, with possibly one exception. I didn't want to miss this one, particularly because it was in Little Rock. I have had some wonderful times here.

I remember one time, in the Marion Hotel, it was my privilege to be the guest of Mrs. Caraway, when she was running for reelection; and I never had so much fun in my life as I did then. And Mrs. Caraway, who is still in Washington, enjoyed herself immensely.

You have two wonderful Senators from Arkansas, and you have the delegation from the Congress. I hope we will have the usual good time, and that everybody will go home without a headache.

[3.] At the Ball, Robinson Auditorium (June 10, 10:15 P.M.)

Governor McMath, the Mayor of Little Rock, and distinguished guests:

I can't tell you how very much I appreciate the cordial reception which I have received in Little Rock. It has been like coming back home to come down here. It's a habit of mine and has been for 25 years. I have been here in town many a time, and attracted no attention at all. But my friends were just as cordial to me then as they are now.

And I want to thank Eberts Post No. 1 for its cooperation with the 35th Division in putting on this ball and entertainment.

My education, so far as taking part on the floor is concerned, was sadly neglected as I grew up. I am a Baptist—not a light-foot one—so I didn't learn how to dance. But I did learn a lot of other things in life, maybe, that I shouldn't have learned.

I hope that the 35th Reunion this year will be the usual success that 35th Reunions are. I have missed only one, I think, in 25 years or more. I didn't want to miss this one. The fact that you had it on a weekend gave me and the congressional delegation of the great State of Arkansas an opportunity to be present and attend the meeting. Otherwise, we would have had to stay in Washington and work.

It doesn't make any difference, though, where the President goes, his work follows him up. I told the congregation this afternoon—you see, I am talking as a Baptist talks—that it didn't make any difference where I went, I have to sign my name some 600 times a day to keep the country running. And it has, up to date, and I think it will continue, at least for 3½ years more.

I am looking forward to a most pleasant time. I am talking to you now as a member of the 35th Division only, but if you want to hear the President of the United States you had better come out to the stadium tomorrow, and I will tell you something that will be good for your souls.

Thank you very much.

[4.] At the Battery D Breakfast (June 11, 8:15 A.M.)

Gene, Governor, Mr. Mayor, and distinguished honorary members—late ones and all:

I don't have very much to say to you this morning, only that I am highly appreciative of the fact that so many of you came down. I am glad to see every one of you. I met most of you at the head of the steps this

morning, and I think I was able to call each one of you here by your first or last name, which is some chore after you have met some 2 million people, more or less.

But, I never forget this organization. When Gene was reading the list of those who have passed on, I could remember something about every single one of them that was interesting.

One name on that list, who was a prize fighter, if you remember, he trained on a cigarette and a bottle of whiskey, with a pot belly and spindly legs—we had a fight on the Zepplin coming back, with the champion of the naval contingent on the ship, who was a scientific fighter. And I remember very distinctly that they went for a round or two, and finally old Sandifer got tired of it, went right through his scientific skill and punched him right out of the ring so that he didn't come back. I have seen Sandifer do that on a dozen different occasions, and he never did train. I don't know how he did it. Finally, he got in trouble with a fellow in Kansas City where Sandifer was a bricklayer, and the fellow dropped a brick on him and killed him. That is not the story that is written in the book, but that is really what happened, so I am told. I was very fond of him. He was a corporal when I was a private in Battery B, when it was first organized.

I think of those things every time we gather together. I have two little black books in the second drawer of my desk in Washington, which are the service records of all the men who served in the Battery. There are certain notations on those records that would be interesting to most every one of you.

I want to caution you, however, that there are organizations, not only the 35th Division but all the other divisions that served in the First World War and in the Second World War, who have honorable records. Most of them were in much more danger than we were.

Due to the fact that through luck and the good Lord you happen to have a Chief Executive of the United States, you mustn't let that cause you to feel that you are better than the other people who served and fought for the country. There are organizations and divisions that had much more trouble than we did. While we—on account of the fact that I am the President of the United States—get a great deal of front-page advertising, you mustn't let it go to your head. I know you won't.

I am proud of you. Always I think of you as you marched down Pennsylvania Avenue at the inauguration. You conducted yourselves like men and gentlemen. I know you will do that everywhere you go.

I was exceedingly sorry to hear the Mayor give you the freedom of the city in the manner in which he did. I know you very much better than he does!

I enjoy being able to be present at this organization meeting, and at the meeting of the 35th Division. I am proud of it. I am proud of the fact that a first cousin of mine was the commanding general who trained the 35th Division in the Second World War.

My connection with this organization will always be close and sentimental. More than sentimental—I can't help it.

I do want to thank the Governor, and the Mayor, for giving us that good "Missouri" ham this morning. And I also want to thank the organization for hiding "Steamboat" Johnson behind the pillar, where he couldn't see me.

I hope you will all enjoy the city of Little Rock as much as I have always enjoyed com-

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ing to this great city. I have been here on numerous occasions. Its hospitality is well known throughout the whole Nation. And when you get through down here, I know you are going to say the same thing I am saying, that we are always glad to be here and are always glad to come back again.

Thank you, Mr. Governor, and Mr. Mayor, for your warm hospitality.

[5.] At the Governor's Luncheon, Hotel Marion (June 11, 1:05 P.M.)

[*The President was presented with a cartoon made of wood and a pair of wooden scissors.*]

Thank you very much. That is an excellent cartoon, especially coming from a Richmond paper. The reason the budget is not amenable to this sort of thing is because it's ironclad to begin with. And I mean it.

I appreciate this very much. You are very kind to me. I have got, I think, as great a collection of cartoons as any man in public life. I have cartoons from the beginning of my political career down to the present time. I must have three or four hundred of them. This one will go into the collection as a unique one, because it is the first wooden cartoon that I have received. As I said, it is a remarkable one coming from a Richmond, Va., paper.

I can't tell you how much I appreciate what you have done. You helped prove that the Democratic Party is the party of the people, and that is what we are going to keep it, as long as I am the head of it.

Thank you very much.

NOTE: In the course of his remarks the President referred to Col. Joe Nickell, president of the 35th Division Association; Sidney S. McMath, Governor of Arkansas; the President's cousin, Maj. Gen. Ralph E. Truman, former Commander of the 35th Division; Mrs. Hattie Caraway, former U.S. Senator from Arkansas; John L. McClellan and J. William Fulbright, U.S. Senators from Arkansas; Sam M. Wassell, Mayor of Little Rock; Eugene P. Donnelly of Kansas City, Mo.; and Col. J. Monroe Johnson, former Director of the Office of Defense Transportation.

The wooden cartoon presented to the President at the Governor's luncheon was a gift of William Sparks Kellogg of Richmond, Va. It was a reproduction of a cartoon published by the Richmond Times-Dispatch after the President's election, "The Stubborn Little Man from Missouri" holding the halter of a triumphantly braying Democratic donkey.

120 Address in Little Rock at the Dedication of the World War Memorial Park. *June* 11, 1949

Governor McMath, Mr. Mayor of Little Rock, and comrades of the 35th Division, ladies and gentlemen:

We are here to dedicate this beautiful park to the dead of two world wars, whose memory we should always hold dear.

The brave men who lost their lives in those wars would approve of the way you have chosen to honor them. This park will be a place of rest and recreation. It is fitting that a war memorial should be something that can be used and enjoyed by the people. Nothing could be more appropriate than to devote a war memorial to those values of human life which our soldiers died to preserve—the values of freedom and peace.

We are not a militaristic nation. We do not glorify the military way of life. Some nations have taken greater pride in their military victories than in any other of their national achievements, but it has never been so with this great country. When we think of war, it is with a prayer that the sacrifices our dead have made will never have to be repeated.

After every war we have solemnly re-

solved to prevent future wars. We have learned, however, that it is not enough to make resolutions. It is not enough to utter them in speeches or engrave them on monuments. We have learned that we must devote the best efforts of our whole Nation to make those resolutions come true.

We entered the First World War to restore peace and to preserve human freedom; but when that war was finished, we turned aside from the task we had begun. We turned our backs upon the League of Nations—the international organization which was established to maintain peace. We ignored the economic problems of the world, and adopted a tariff policy which only made them worse. We let our domestic affairs fall into the hands of selfish interests.

We failed to join with others to take the steps which might have prevented a second world war.

This time we are fully aware of the mistakes that were made in the past. We are on guard against the indifference and isolationism which can only lead to the tragedy of war. This time we will not let our decisions be made for us by a little group of men who are concerned only with their own special interests.

This time we have taken vigorous and far-reaching measures to preserve peace and restore prosperity throughout the world. We have assumed the responsibility which I believe God intended this great Republic to assume after the First World War. We have shouldered the enormous responsibilities that go with our tremendous strength.

We have been fortunate in having many public servants of ability and vision who have devoted themselves to the problems of foreign affairs and national defense. We have able leaders in the Congress, who have mastered the complex details of our relations with other nations. They have made themselves familiar with the effects of our policies in all parts of the globe. They have labored painstakingly to enact a body of legislation to carry out the responsibilities we have assumed.

Most significant of all, the people of this country understand the supreme importance of our foreign policy and the great objectives toward which we are moving. Public debate has threshed out the basic questions of our foreign policy. The people have made up their minds. They have supported, and will continue to support, the measures necessary to maintain peace.

We have had to work for peace in the face of troubled conditions and against Communist pressures. But because we have been united in our determination to use our strength and our substance, we have already turned the tide in favor of freedom and peace. The disintegration of the democracies of Europe has been halted. Free peoples in many parts of the world have been given new hope and new confidence. The restoration of a system of world trade has begun. All this has been accomplished without closing the door to peaceful negotiation of the differences between the free nations and the Soviet Union.

But we are only midway in carrying out our policy. We have a long way to go before we can make the free world secure against the social and political evils on which communism thrives. The cause of peace and freedom is still threatened.

Yet there are some who have grown weary of the effort we are making. There are voices which claim that because our policy has been successful so far, we can afford to relax now. There are some who want to slash the aid we are giving to the economic recovery of other nations; there are some who want to reject the measures that are necessary for defense against aggression;

there are some who wish to abandon our efforts toward the revival of world trade. These are the same voices that misled us in the 1920's. They are misguided by short-run considerations. They refuse to face the plain facts. They try to convince us that we cannot afford to pay the price of peace.

But the people of the United States will not be misled a second time. We know that the short-sighted course, the easy way, is not the path to peace. The task is difficult, and requires firm determination and steadfast effort.

We know that if we are to build a lasting peace in the world we must achieve three essential conditions.

First, this Nation must be strong and prosperous.

Second, other nations devoted to the cause of peace and freedom must also be strong and prosperous.

Third, there must be an international structure capable of adjusting international differences and maintaining peace.

The first condition is our own strength and prosperity.

It is unusual for this Nation to maintain substantial armed forces in time of peace. Yet, so long as there is a threat to the principles of peace—the principles on which the United Nations is founded—we must maintain strong armed forces. Any uncertainty as to the ability or the willingness of the free nations of the world to defend themselves is just an invitation to aggression. We have seen the truth of this statement in the outbreak of two world wars.

Our national strength is not, however, simply a matter of weapons and trained men. Even more important are our economic growth and continued prosperity.

Our economy is the center of a world economy. The hope of economic revival throughout the world depends in large measure upon the prosperity of the United States. If our production and purchasing power are badly impaired, if the buying and selling and investing that we do in other parts of the world are cut off, other nations will be plunged into chaos and despair.

It is a prime belief of the Communist philosophy that our kind of economy is doomed to failure. The Communists predict that our prosperity will collapse—bringing the rest of the free world down with it. But they are wrong—they are just as wrong as they can be.

We know more today about keeping our economy strong than we ever have known before. We know how to strengthen our economy through the expansion of production and the purchasing power and the improvement of standards of living. We understand that constantly rising national output, increasing real wages, and a fair income for our farmers are basic elements of our economic strength.

To maintain these elements of prosperity, it is not sufficient to drift with the tide. We must take advantage of the new opportunities, the increased demands which result from the natural growth of our population. We must develop our natural resources and restore those we have depleted and wasted. We must establish a fair distribution of business opportunity; we must have a free labor movement able to hold its own at the bargaining table; we must protect the purchasing power of Americans against the hazards and misfortunes of life.

These steps are necessary if we are to continue strong and prosperous. That is why our domestic programs for the development of resources, for protection against economic hazards, for the improvement of social conditions, are fundamental to our national effort for peace.

The second condition essential to peace

is that other nations, as well as our own, must be strong and prosperous.

We need other nations as our allies in the cause of human freedom. We have seen free nations lost to the democratic way of life because of economic disaster. We know that despair over economic conditions will turn men away from freedom and into the hands of dictators.

It is to our interest, therefore, to aid other nations to restore and maintain their economic health. Our aim is not only to help other nations to help themselves, but also to encourage economic cooperation among them.

We have taken the lead in cooperating with other nations to restore a mutually beneficial system of world trade. No nation today can achieve prosperity in isolation. Only through participation in the trade of the world can a country raise its own standards of living and contribute to the welfare of other nations.

For years before the war, world trade was crippled by high tariffs, import quotas, exchange manipulation, and other artificial devices for securing commercial advantage. These practices were a symptom of international anarchy. They resulted, ultimately, in idle ships, idle men, and economic chaos.

We have come a long way toward correcting these evils. Since 1934, we have worked out a multitude of agreements with other countries to reduce specific tariff barriers. In the general agreement on trade and tariffs of 1948, we struck a worldwide blow at these obstacles to trade.

But this work is not yet finished. If we are to succeed it is vital that the authority to negotiate reciprocal trade agreements be extended. We should then go on to establish a permanent international trade organization to apply standards of fair dealing in the commerce among nations.

The same cooperative principle has been applied in our great undertaking to restore the economies of the Western European nations to a self-sustaining basis. The food, fuel, and equipment which have been sent to Europe have been matched by the efforts which these nations have made to restore their own economies and to cooperate with one another in increasing their production and raising their standards of living.

It is fair to say that the European recovery program has halted the social and economic disintegration which threatened the countries of Western Europe with communism and civil strife.

Nevertheless, the European recovery program is still in early stages. At the outset it was estimated that it would take 4 years before these countries could again become independent of special economic aid. Only a little more than 1 year has passed since we began.

If we were to falter now and cut down our aid, the momentum of recovery would be destroyed. The people of these countries would be thrown into confusion and their advance toward economic self-reliance would be blocked. A slash in the funds available for European recovery at this time would be the worst kind of economy. It would cancel the hopes and the plans of the Western European nations. It would be a great gain for communism.

I am confident that we shall not make this mistake.

Our concern with the economic health of the world also extends to its underdeveloped regions. The prospects for peace will be immeasurably brighter if we can offer a future of hope and a better life to the people of these regions. In these areas there are millions who for centuries have known nothing but exploitation and poverty, and whose economic life is still primitive.

I have offered a program for bringing these people the benefits of our modern civilization. It is not a program of relief. While it is intended ultimately to bring about a great movement of capital through the channels of private investment for the development of these poverty-stricken regions, it is not a program of imperialism. The development of these areas offers enormous potential benefits to a growing world economy.

We have to lay the foundations for this program with care. I expect shortly to send to the Congress recommendations for initial legislation. This will be but the first step of many that we shall take, over the years to come, in this cooperative effort to better the living standards and to unlock the human skills and the natural resources of the underdeveloped parts of the globe.

The third condition essential for peace is an international structure capable of suppressing international violence. However well conceived our economic programs may be, they cannot succeed unless there is some assurance against the outbreak of aggression. Neither our own prosperity nor the prosperity of other nations can survive unless we can protect the operations of economic life from the threat of war.

Such protection depends on two factors. First, there must be constant efforts by all nations to adjust their differences peacefully. Second, there must be an agreement among nations to employ overwhelming force against armed aggression.

The United Nations is the instrument for accomplishing these ends. It has already achieved the peaceful settlement of difficult issues. It has stopped hostilities in the Near East and in Indonesia. It has done a great deal to explore and find solutions for many of the economic and social problems which afflict the world.

Much remains to be done, however, to carry out the principles of the United Nations. Within the terms of the United Nations Charter, we and certain other countries have undertaken to provide greater assurance against the danger of armed conflict. That is the purpose of the North Atlantic Treaty. The idea behind this treaty—the association of democratic nations for mutual defense—is well understood in this country. Perhaps we do not understand, however, the importance of this pact in the eyes of the other democratic nations which are parties to it. They have been greatly weakened by war. They have been haunted by the fear of again becoming the scene of conflict. By assuring them of our support the pact goes a long way to dispel their fears.

I have been greatly heartened by the unanimous report of the Foreign Relations Committee of the Senate this past week in favor of the North Atlantic Treaty. I believe that it will soon be passed by an overwhelming majority in the Senate. The effect of this action will be immediate and far-reaching in allaying the fears which have retarded the economic recovery of Europe.

It is of vital importance that the Atlantic Pact be followed by a program of military aid to increase the effective strength of the free nations against aggression. This military assistance program is based upon mutual help—will give additional confidence to the people of those nations as they continue to rebuild their economies.

These measures will bring a stability to the democratic nations of Europe which has not existed since the end of the war. They will at the same time contribute directly to the security of the United States of America.

I have discussed the three essential elements of lasting peace—a strong and prosperous United States; a strong and pros-

perous community of free nations; an international organization capable of preventing aggression.

We have given greatly of our effort and our strength to build a firm and enduring foreign policy upon these essentials. The burdens we have had to assume in this enterprise have been enormous and unusual. Never in the history of the world has the victor contributed to the recovery of the vanquished as this country has done after the Second World War. The size of the national budget shows that we are engaged in an undertaking without parallel in the history of our country or of the world.

But the goal we seek is a great one, and that goal is worth the price. Never has a nation had the opportunity which we have today to do so much for the peace and prosperity of mankind. Never has a nation had a better chance of reaching this high goal.

We must not falter now.

We must not defeat our own efforts by doing only half the job that lies before us.

The brave men, whose memory we honor here, did all that was required of them. They did not fail us. We must not fail them in our efforts to reach the goal for which they died.

We must press on in the confidence that we will succeed in the mission a divine providence has assigned to us.

NOTE: The President spoke at 2:30 p.m. at the World War Memorial Park. His opening words referred to Sidney S. McMath, Governor of Arkansas, and Sam M. Wassell, Mayor of Little Rock. The address was carried on a nationwide radio broadcast.

121 Special Message to the Senate Transmitting Convention on the Prevention and Punishment of the Crime of Genocide. *June* 16, 1949

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of the Convention on the Prevention and Punishment of the Crime of Genocide, adopted unanimously by the General Assembly of the United Nations in Paris on December 9, 1948, and signed on behalf of the United States on December 11, 1948.

The character of the Convention is explained in the enclosed report of the Acting Secretary of State. I endorse the recommendations of the Acting Secretary of State in his report and urge that the Senate advise and consent to my ratification of this Convention.

In my letter of February 5, 1947, transmitting to the Congress my first annual report on the activities of the United Nations and the participation of the United States therein, I pointed out that one of the important achievements of the General Assembly's First Session was the agreement of the Members of the United Nations that genocide constitutes a crime under international law. I also emphasized that America has long been a symbol of freedom and democratic progress to peoples less favored than we have been and that we must maintain their belief in us by our policies and our acts.

By the leading part the United States has taken in the United Nations in producing an

effective international legal instrument outlawing the world-shocking crime of genocide, we have established before the world our firm and clear policy toward that crime. By giving its advice and consent to my ratification of this Convention, which I urge, the Senate of the United States will demonstrate that the United States is prepared to take effective action on its part to contribute to the establishment of principles of law and justice.

HARRY S. TRUMAN

NOTE: The United States is not a party to the Convention. As of July 1964 it was still pending before the Senate Foreign Relations Committee.

The text of the Convention is printed in the Department of State Bulletin (vol. 19, p. 756) and in Executive O (81st Cong., 1st sess.). The report of James E. Webb, Acting Secretary of State, is printed in the Department of State Bulletin (vol. 21, p. 844).

122 The President's News Conference of *June* 16, 1949

THE PRESIDENT. I have no particular announcements to make to you. I will try to answer questions, though, if you want to ask them.

[1.] Q. Mr. President, my paper is suggesting editorially that you start a special commission like the Roberts Pearl Harbor Commission, to make a thorough inquiry into the FBI and its practices and make a report to you. They have in mind a quiet, closed study, rather than——

THE PRESIDENT. Did you ever hear of any like that in Washington? [*Laughter*]

Q. Do you think such a study might be valuable, sir?

THE PRESIDENT. I have no comment.

[2.] Q. Mr. President, there is a bill in Congress to establish a National Monetary Commission. Do you have any comment on that proposal?

THE PRESIDENT. I have no comment on that one.

[3.] Q. Mr. President, it has been reported that Dwight Griswold is going to be appointed assistant to John J. McCloy in Germany. Have you any comment on that?

THE PRESIDENT. No, I haven't. You know that Governor Griswold was in Germany at one time, then went to Greece. He is a good man. If they want to appoint him, it's all right with me.

[4.] Q. Do you think the Brannan farm plan will pass?

THE PRESIDENT. Sure do. The Brannan farm plan is going to be passed.

Q. When?

THE PRESIDENT. This session.

Q. Want to bet? [*Laughter*]

THE PRESIDENT. All right.

Q. I'll bet you a dollar on it.

THE PRESIDENT. The Brannan farm plan will be passed by the 81st Congress. I will amend it that way. Might not get quite all, this Congress, but some of it—some of it has already gone through.

Q. Some of the reports from Des Moines,[1] Mr. President—news reports—left the im-

[1] The Midwest regional conference of Democratic leaders held in Des Moines, Iowa, on June 12–13. The conference was made up of party officials from the thirteen States in the Midwest Democratic Conference and from Ohio, Indiana, and Illinois. The main purpose of the conference was to organize support for the Brannan farm plan.

See note to Item 90 for further information on the Brannan plan.

pression that the administration didn't want any action until next year.

THE PRESIDENT. No. The news reports left that impression, but the people who were running that meeting out there didn't leave that impression.

Q. I noticed a cartoon in the Star yesterday which said that the plan was so good that it ought to be left over for election year 1950.

THE PRESIDENT. That is not the objective at all. We are trying to carry out the Democratic platform with regard to what was said for the farmer, and that is what we are going to try to do.

Q. Mr. President, does that mean that you believe that you can get farther in politics on accomplishments than promises?

THE PRESIDENT. I do. I have always believed that. That has always been my policy.

[5.] Q. Mr. President, do you feel equally confident about the extension of Regulation W [2] before its expiration?

THE PRESIDENT. Yes. I think it ought to be extended.

[6.] Q. Mr. President, because of his dissents, do you think Lewis Strauss will resign from the Atomic Energy Commission?

THE PRESIDENT. No, I do not. I think Lewis Strauss is a good man. I have requested him to stay on the Commission, and he is going to stay there.

[7.] Q. Mr. President, Mr. Webb [3] of the State Department indicated that the Department is concerned about the British-Argentine trade agreements soon to be signed. Do you wish to supplement——

THE PRESIDENT. I am not familiar with the situation.

[8.] Q. Mr. President, the House Un-American Activities Committee has requested a number of educational institutions to turn in lists of schoolbooks, and a California university has asked for an oath for all its faculty members. Do you see any threat to educational freedom in this general trend?

THE PRESIDENT. I think that question is pretty well answered in a cartoon in the Washington Post this morning. Look at that cartoon,[4] it will entertain you.

[9.] Q. Mr. President, the Minister of Economy from Chile is supposed to be here trying to see you about their fears that there is going to be a tariff set back on copper. Do you know anything about that, or are you acquainted——

THE PRESIDENT. I hadn't heard anything about it.

Q. Are you acquainted with it?

THE PRESIDENT. No, I don't know.

[10.] Q. Mr. President, Walter Reuther of the UAW came out after seeing you yesterday and said that you told him, presumably, that the administration would vigorously meet the crisis in unemployment and the economic situation. Do you have any comment on that?

THE PRESIDENT. The administration's viewpoint on that subject will be expressed in the Economic Message that goes down in the middle of the year. We are preparing it now.[5]

[11.] Q. Mr. President, everybody is making predictions now. I notice it says

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[2] See Item 32 [8].

[3] James E. Webb, Under Secretary of State.

[4] The cartoon appeared in the Washington Post of June 16, 1949. It depicts two members of the House Committee on Un-American Activities surveying a huge pile of textbooks that had been sent to the Committee while one says, "Okay—now to find somebody that can read."

[5] See Item 151.

in Quick this morning that you are not going to run in 1952.

THE PRESIDENT. No comment.

[12.] Q. Mr. President, has the Mexican loan proposal for oil development come to your attention for final decision as yet?

THE PRESIDENT. No, not for final decision. It has been discussed with me, but no——

[13.] Q. Mr. President, an awful lot of fine people are apparently being branded as reds, unemployables, subversives, and what-not, these days; and there are any number of trials, hearings, employment situations in the Army, and what-not. Is there any word of counsel that you could give on this rash of branding of people?

THE PRESIDENT. Yes, I gave it to you once before. I am going to suggest that you read the history of the Alien and Sedition laws in 1790 under almost exactly the same circumstances, and you will be surprised at the parallel; and then also read how they came out.

[14.] Q. Mr. President, a previous question in relation to Reuther mentioned a crisis in unemployment and the economy. Do you think we are in a crisis now?

THE PRESIDENT. No, I do not.

[15.] Q. Mr. President, it has been hinted that there will be a compromise offered on tidelands oil. Any comment on that, sir?

THE PRESIDENT. I know nothing about it. I will take care of that when it comes up here, if it does come before me. I have expressed my opinion on that on several occasions, but if a bill of that kind comes up, you will know what I will do when it gets here.

[16.] Q. Mr. President, to go back to the Alien and Sedition laws, how can we apply the lessons of that time to the solution today?

THE PRESIDENT. Well, continue to read your history through Jefferson's administration, and you will find what the remedy was. Hysteria finally died down, and things straightened out, and the country didn't go to hell, and it isn't going to now.

Q. Mr. President, the first thing Jefferson did was to release 11 newspaper publishers from prison. [*Laughter*]

THE PRESIDENT. Yes. I think he made a mistake on that. [*More laughter*] He released a Federal Judge, too, if I am not mistaken, under the Alien and Sedition laws.

Q. What was the date of those Alien and Sedition laws?

THE PRESIDENT. Well, it began in John Adams's administration, and ran through part of Jefferson's.

Q. 1797?

THE PRESIDENT. 1797—about 1798.

Q. Do you think such hysteria which has caused this is fit for a country of our strength and power?

THE PRESIDENT. Such things happen after every great crisis. They happen after every great war. They happened after the First World War. Remember the crazy things the Ku Klux Klan did when they began to try to clean up, and what a fiasco they made of it in Indiana? We go through that every time we go through a crisis in this country.

[17.] Q. Is this economic message going to be routine, or is it occasioned by the present situation?

THE PRESIDENT. It's what the law calls for.

Q. Routine?

THE PRESIDENT. It's routine.

[18.] Q. Mr. President, are you confident that no part of your executive branch is gripped by this hysteria?

THE PRESIDENT. I am. I will clean them out if they are.

[19.] Q. Mr. President, I noticed that in the Clapp case [6] you stepped in very quickly to straighten it out. Is it your intention to step in as quickly as possible every time the executive branch is involved?

THE PRESIDENT. Certainly. I have always done that. That is not new at all.

[20.] Q. Mr. President, do you expect any time soon to announce the appointment on the new War Damage Commission?

THE PRESIDENT. Yes, I will announce it as soon as I have decided on the appointment.

[21.] Q. Mr. President, a couple of days ago Congressman Mack suggested—not suggested but urged Congress to hold a special session to start not until September 1st, for the sole purpose of enacting legislation on the Hoover Commission's report. Would you care to comment on that?

THE PRESIDENT. No. I have no comment on that particular statement, but as soon as the reorganization bill is passed, we will proceed with the reorganization plans as fast as we can get them ready. I just want to remind you that there was a reorganization law on the books when I became President, and I sent 7 reorganization plans to the Congress, 4 of which were approved and 3 of which were rejected. I asked for the extension of that reorganization law, and the 80th Congress refused to make that extension. I had an interview with some Members of Congress and suggested the action under which the bipartisan commission headed by Mr. Hoover was appointed. The thing for the Congress to do is to pass the Reorganization Act, and the reorganization will take care of itself.

Q. What about the single House veto, will that stop it?

THE PRESIDENT. I can't answer that. I don't know. We will have to see how it works.

Q. Any study being made of the constitutionality of that?

THE PRESIDENT. Constitutionality is not questioned at all that I know of.

[22.] Q. Mr. President, did J. Edgar Hoover submit his resignation?

THE PRESIDENT. He did not.

Q. Mr. President, do you confer with J. Edgar Hoover from time to time?

THE PRESIDENT. He makes reports to me, from time to time, and I confer with him through the Attorney General.

Q. Through the Attorney General.

Q. Well, Mr. President, there has been a lot of smoke around Mr. Hoover in the last few days. Could you go further to clear that situation up?

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[6] According to newspaper reports, Military Government officials had requested the Department of the Army to engage Gordon R. Clapp, chairman of the Tennessee Valley Authority, as a 90-day specialist to work with the Army in Germany. The Military Government was officially notified that Clapp was "unemployable."

Upon being informed of the report Secretary of the Army Gordon Gray stated on June 9, 1949, that the Army had never investigated Mr. Clapp and "had absolutely no derogatory information about him which would warrant his not being employed by the Army for security or any other reasons."

A statement to the press by the National Military Establishment added that examination of its files, including those of the Army General Staff's Military Intelligence Division, "shows nothing reflecting on Mr. Clapp which, in any way, would cause the Department of the Army to question his loyalty or employability under Military Intelligence standards of security or for any other reason."

The word "unemployable," the statement explained, was used as a result of "an unreviewed action by a junior officer, acting upon a request for personnel received from Military Government in Germany." The situation had developed from "an unfortunate misinterpretation of the word 'unemployable.'" The word had been used in the past to designate people who were unavailable as well as those who were thought to be security risks.

THE PRESIDENT. No——

Q. Is there any further——

THE PRESIDENT. ——not for me to clear up. It isn't for me to clear up.

Q. There is no idea that Mr. Hoover has any intention of resigning then, is that correct?

THE PRESIDENT. I have never heard of it. I just answered it. I know nothing about it.

Q. Mr. President, does he still have your confidence?

THE PRESIDENT. Hoover has done a good job.

Q. You said last week that a lot of that publicity was headline hunting?

THE PRESIDENT. That is what it is.

Q. Mr. Hoover, you did not include Mr. Hoover in that class of headline hunting?

THE PRESIDENT. You make your own assay of the situation. You can do as well as I can.

Q. Mr. President, one of the things which puzzles people is the publicizing of those records in court, which is supposedly legal, and so forth and so on. Have you or has your administration given any thought to possible protection of such executive papers? [7]

THE PRESIDENT. Yes. Every effort has been made to protect those executive papers, but it is not the policy of the Executive to interfere with the judiciary when they make up their mind that they are trying to give somebody a fair trial.

Q. Beyond that, if there was a law on the subject, that would be something else, would it not?

THE PRESIDENT. That would relieve the Executive of having to make the decision.

Q. Have you any thought of that——

THE PRESIDENT. No, no. None at all.

Q. Well, Mr. President, do you think that would be a good thing to let out of the files unsubstantiated allegations that people are reds, subversives, and things like that?

THE PRESIDENT. No comment on that.

Q. Mr. President, did Attorney General Clark take the matter of this difference of opinion between Mr. Condon and Mr. Hoover [8]—did he take that up with you?

THE PRESIDENT. No. No reason to take it up with me.

[23.] Q. Mr. President, is the Government satisfied with the attitude of the Israeli Government towards the Arab refugees?

THE PRESIDENT. I have no comment on that. They are sitting at a peace conference over in Switzerland, and there will be no comment on anything that takes place there, because we are one of the mediators.

[24.] Q. Mr. President, do you have any report of progress in the four-power conference in Paris?

THE PRESIDENT. The report on the four-power conference will be made by Mr. Acheson when he gets back.

Q. Mr. President, about the Mexican oil thing, some time ago you said you would favor a loan to Mexico?

THE PRESIDENT. I do favor it. I do favor it. They are working on it now.

Reporter: Thank you, Mr. President.

NOTE: President Truman's one hundred and eighty-sixth news conference was held in his office at the White House at 10:30 a.m. on Thursday, June 16, 1949.

[7] The reporter was probably referring to the disclosure of certain FBI reports in connection with the trial of Judith Coplon.

[8] The FBI reports made public in connection with the trial of Judith Coplon mentioned Mrs. Emilie Condon, wife of Dr. Edward U. Condon, Director of the National Bureau of Standards. The press reported that Dr. Condon had demanded a "personal apology" from J. Edgar Hoover, Director of the Federal Bureau of Investigation.

123 Remarks to the Delegates to the National 4–H Club Camp. *June* 16, 1949

THANK YOU very much for this pin. It is a beautiful thing, and I know one thing certain, that it won't remain in my possession long when my daughter sees it.

It was my privilege many, many years ago—when most of you were babes in arms, and long before that—to be helpful in organizing the 4–H Club in my part of the world. I am from Jackson County, Mo., named for Andrew Jackson, who set out that magnolia tree over there in 1838.

I am vitally interested in what you are doing in your programs for the betterment of farm conditions in the United States. We have had some very able Secretaries of Agriculture who have been vitally interested in what you are doing. We have one now who is as able as any we have ever had, and he is vitally interested in the programs for which you are working.

I am more than happy to have you here. I hope you noticed that we fixed the weather up for you, so that you could stand here in time for the photographers to be here. I am charged, sometimes, with being in control of the weather, but I am not. I am just lucky.

I am glad to see you, and hope you will come back again next year. I hope also that you will have a very successful meeting this year while you are here.

Thank you very much.

NOTE: The President spoke at noon in the Rose Garden at the White House. The delegation presented a 4–H Club pin to the President.

124 Statement by the President Upon Signing Bill Continuing Suspension of Annual Assessment Work on Mining Claims. *June* 17, 1949

I HAVE today approved H.R. 1754, an act, "Providing for the suspension of annual assessment work on mining claims held by location in the United States and enlarging the liability for damages caused to stock raising and other homesteads by mining activities."

This act continues for one more year the wartime suspension of the requirement of section 2324 of the Revised Statutes (30 U.S.C. 28) requiring an expenditure of at least $100 in labor or improvements of a mining nature to be made each year on all mining claims located on the public lands of the United States. The act of May 3, 1943 (30 U.S.C. 28a) suspended this requirement during the period of hostilities. Under the terms of the 1943 statute, upon my proclamation of the cessation of hostilities on December 31, 1946, the assessment work provision again became effective as of 12 o'clock meridian on July 1, 1947, with the result that work of the worth of $100 was due to be performed during the assessment year ending on July 1, 1948. However, the act of June 17, 1948 (80th Congress) granted another 1-year extension expiring July 1, 1949.

While I have reluctantly approved another 1-year extension, I believe that any fur-

ther extension of the suspension of the assessment work requirement would be detrimental to the public interest. The $100 requirement has appeared in the public domain mining laws since the enactment of the act of May 10, 1872 (17 Stat. 91). It was designed to prevent persons from hindering the development of the minerals in the public lands by making mining claims and then performing no work to develop them or to produce the minerals. In 1872, of course, $100 had a real value far greater than that possessed by the same sum today, and represented a considerable amount of work. However, the $100 requirement still is of importance, since it places upon the claimant the duty of undertaking at least some activity in order to hold his claim against later locators. Plainly, the chances are better that the mineral deposits of the public domain will be developed if some work is going forward on each claim than if nothing were being done. It is certainly in the public interest, in view of the present day shortage of minerals, that idleness on mineral claims be allowed no longer than is necessary.

During the war, when many men were in the service, when others were fully engaged in essential war work, and when tools and materials were being fully utilized in the war effort, it was proper to suspend the assessment work requirement. The shortages which motivated past suspensions, however, no longer prevail.

The basic policies of the mining laws and the interests of the Nation dictate that the assessment work requirement be revived as soon as possible in line with the intent of the act of May 3, 1943. These considerations also indicate the desirability of re-evaluating the adequacy of the $100 figure at which this requirement has been set for so long, in the light of the fact that it now represents far less work than it did when it was adopted in 1872. Such related questions as the need for protecting fully the interests of owners of surface rights in lands affected by mining locations, the sufficiency of the legal provisions governing the recording of such locations, and the need for placing the obligation to perform assessment work on a basis where it can be better enforced than at present, also deserve re-examination.

It is noted that the Senate Committee on Interior and Insular Affairs is planning to undertake a study looking to a general revision and unification of the mining laws. It would seem appropriate to permit that study to proceed in orderly fashion and I would hope that such revisions as may be necessary and desirable will be accomplished without undue delay.

NOTE: As enacted, H.R. 1754 is Public Law 107 (63 Stat. 200).

125 Remarks to Delegates to the National Conference of Boy Governors. *June 17, 1949*

I DON'T think I am in any position to give you advice on governorships, because I never was a Governor. I have had two or three other jobs in the public interest that have been of some responsibility. This one particularly that I have now, which is an enlarged governorship, only you have 48 States and a lot of territories, and sometimes the

whole world to look after from this desk.

But you are doing the right thing in becoming familiar with the operations of the greatest government in the history of the world. It is a government that starts from the bottom and goes to the top, instead of starting at the top and going to the bottom. That is the reason it has been successful on this American continent.

If you remember, we started out with 13 Colonies and about 3 million people. Now we have 48 States and 148 million people, and a worldwide interest in the peace of the whole world. We have grown from the newest and smallest nation in the world to the greatest nation in the history of the world.

And it is young men like you who can continue the responsibilities that are necessary to carry on a government like that. In a few years the responsibility is going to be in your hands. Most of us who are now responsible for the operation of the Government will be out of business and unheard of 10 years from now, when you will be just coming to the point where you can really do the country some good.

I appreciate very much your interest in this Government of yours. It is a pleasure to me to have you here and discuss the situation with you.

NOTE: The President spoke at 12:30 p.m. in his office at the White House.

126 Letter to the Speaker on the Housing Bill. *June 17, 1949*

My dear Mr. Speaker:

I am very pleased to learn that the House plans to take action on H.R. 4009, the Housing Act of 1949, at an early date. This means that we are close to success in the five-year struggle to enact housing legislation that will strike at the core of the Nation's critical housing problem.

I have been shocked in recent days at the extraordinary propaganda campaign that has been unleashed against this bill by the real estate lobby. I do not recall ever having witnessed a more deliberate campaign of misrepresentation and distortion against legislation of such crucial importance to the public welfare.

The propaganda of the real estate lobby consistently misstates the explicit provisions of the bill, consistently misrepresents what will be the actual effect of the bill, and consistently distorts the facts of the housing situation in the country.

I know that most of the people engaged in the real estate business and the home building industry in this country are decent, respectable, honorable citizens. But there is a little group of ruthless men, claiming to speak for the members of these industries, who spend their time attempting to block progressive housing legislation. By letters, circulars, and paid advertisements, they continue to spread their misstatements, hoping that people will eventually accept them as true.

I am extremely anxious that when the members of the House vote on this important legislation they should be aware of the false and misleading nature of this propaganda. Consequently, I ask the privilege of calling to their attention some of the more flagrant claims of the real estate lobby and the true facts concerning these claims.

1. The real estate lobby claims that H.R. 4009 will cost the Federal Government 20 billion dollars.

This is an exaggeration of approximately 100 percent. The actual cost of the bill will be about 10 billion dollars, spread over a period of some thirty years.

The bill authorizes four programs—slum clearance, low-rent public housing, housing research, and aids to farm housing. Their respective costs are as follows:

a. *The slum clearance program* will authorize a total sum of 500 million dollars in grants to localities to assist them in wiping out slums and blighted areas and redeveloping those areas in a sound and healthy manner. This sum would be the total out-of-pocket cost to the Federal Government, except for administrative expenses. The bill will also authorize a 1 billion dollar revolving fund for loans to localities. These loans will be for a maximum period of 40 years, and will bear interest at the going Federal rate—approximately 2½ per cent. Since these loans are to be repaid, with interest, this sum does not, of course, represent a "cost" to the Government.

b. *The low-rent public housing program* in H.R. 4009 will authorize Federal assistance for the construction of 1,050,000 housing units. These units will be constructed by private builders under contracts let by local public housing authorities, which are agencies of State and local government.

The construction cost will be financed through bonds issued by the local housing authorities and sold to private investors. The bill authorizes a revolving fund of 1.5 billion dollars for loans to these local housing authorities. It is expected that this authority will be used principally to support temporary financing of the projects during construction. Any loans so made are to be repaid to the Government with interest.

The major Federal assistance provided by the bill will be in the form of annual contributions to local housing authorities in amounts required to make up the difference between the rents which low-income families can afford to pay and the costs of operating and maintaining the projects and retiring their bonded indebtedness. The bill establishes maximum limits for such annual contributions, when all the construction has been completed, of 400 million dollars per year for 40 years. In fact, however, experience with public housing projects built under the United States Housing Act of 1937 has demonstrated that the actual contribution required on the average will be less than the maximum which must be authorized. A fair estimate of the annual contributions which will actually be made is 75 to 80 per cent of the maximum, or about 300 to 320 million dollars per year. Furthermore, annual contributions will probably be required only for 29 to 33 years, on the basis of the interest rates and amortization schedules expected for local authority bonds in the investment market.

The total cost to the Government of the low-rent housing program is therefore estimated at 9 to 10 billion dollars, plus administrative expenses, over a period of 29 to 33 years. Thereafter, the financial obligation of the Federal Government will cease, and the low-rent housing projects will continue in local ownership and operation.

c. *The housing research program* authorized by the bill should not cost more than 5 million dollars a year in the foreseeable future. The exact cost will be determined by the amount annually appropriated by the Congress. The objective of this program, of course, is to make possible reduced building costs and improved housing standards whose value will be many times the Federal expenditures involved.

d. *The farm housing program* in H.R. 4009 will authorize a loan fund totalling 250 million dollars. Loans made under this authority, to finance the construction or improvement of farm housing and buildings, will be repaid, with interest. In addition, for farmers whose incomes are now insufficient to guarantee repayment of such loans, but whose farms can be made self-sustaining through a program of farm improvements, the bill authorizes the Secretary of Agriculture to meet part of the debt payments by making contributions for not more than 10 years and totalling not more than 50 million dollars. Furthermore, to assure a minimum standard of decency for farmers on submarginal farms which cannot be made self-sustaining, the bill authorizes $12,500,000 in grants to finance minimum repairs to farm houses and buildings. Thus the actual cost to the Federal Government of this farm housing program, except for administrative expenses, is expected to be not more than $62,500,000 over a period of some 10 to 15 years.

These facts demonstrate the inaccuracy of the real estate lobby's propaganda. In order to reach their "estimate" of total cost, they assumed the maximum possible annual Federal contributions for low-rent housing (which will not occur), they counted Federal loans as "costs" (when in fact they are to be repaid, with interest)—and on top of that they added on a few hundred million fictitious dollars for which the bill offers no shred of support! This is a shocking example of an attempt to deceive the public and to stampede Members of Congress. I am confident that the House will not be misled by such tactics.

The real issue involved in this bill is whether the Federal Government should provide practical, workable and carefully limited assistance in improving the standard of housing of the American people and relieving the conditions of slum housing in which too many of our families are now forced to live. Of course this will cost money—and the facts on the cost are stated above. When the actual costs are balanced against the potential benefits to the welfare—and indeed the national security—of our people, I believe there can be only one answer—to enact this legislation. Apparently the real estate lobby is of the same opinion, since it refuses to debate the bill on its merits, but instead is resorting to false propaganda.

2. The real estate lobby claims that each low-rent public housing unit will cost more than $15,000.

The facts are that the amount of money provided in H.R. 4009 to build 1,050,000 dwelling units will permit an average cost, at the most, of $8,465.

The plain language of the bill requires the utmost economy and simplicity in construction standards consistent with providing decent and durable housing. Naturally, the construction costs will vary among different parts of the country, and the bill provides a normal ceiling of $1,750 per room. In most parts of the country this amount will be sufficient, but in order to permit construction in a few of the high cost areas, where the need is equally great, the bill permits a maximum cost per room of up to $2,500.

The real estate lobby seized this upper limit figure, multiplied it by five rooms, and added $2,500 for land and utilities, in arriving at its claim that all the units built would cost $15,000. Even at today's construction costs—and costs are dropping—few housing projects, if any, even in the highest cost areas, will require an expenditure of this amount per unit. Over most of the country the figure is utterly absurd. A representa-

tive group of the private contractors who had built housing projects under the 1937 Act were asked early this year what the current cost of duplicating these projects would be. Their replies ranged from less than $1,250 per room to $2,250 per room, and two-thirds were below $1,750 per room.

There is no foundation, therefore, either in the bill or in the current costs of building, for this charge by the real estate lobby.

3. The real estate lobby claims that "there is no longer any pretense that public housing is for the poor."

The facts are that H.R. 4009 requires local public housing authorities to give preference for admission to public housing projects to low income families having the most urgent housing needs. Furthermore, the bill requires the local authorities to establish upper income limits for admission to public housing projects—income limits calculated to admit only families whose incomes are at least 20 per cent below the income needed to pay rents charged in that locality for adequate private housing, whether new or old. These income limits will vary among different localities; at the present time five-sixths of the local housing authorities have maximum limits of $2,200 or less.

Thus only families of low income can be admitted to public housing projects.

Furthermore, the bill requires local public housing authorities to re-examine tenants' incomes each year, to adjust rents upward where appropriate, and to require families to move whose incomes have risen to a point where they can afford adequate private housing, so that additional low income families can be admitted to the project.

Actual experience in the present low-rent public housing projects, built under the 1937 Act, demonstrates that the bill will work in practice the way it is intended. In the first half of 1948, the average income of the families admitted to the present low-rent projects was $1,480. The average family income of all tenants in these projects who were eligible to remain was $1,590. These figures are well below the average of the lowest one-third of city and town family incomes.

Under these circumstances, it is obvious that "the poor," as the real estate lobby calls them, are precisely those who will benefit from public housing.

In recent years a number of families have been permitted to stay in public housing projects even though their incomes rose above the upper limit. This was done in some cases in order to provide housing for war workers, in other cases because of the acute housing shortage since the war. As a matter of fact, an Act of Congress was in effect from July, 1947, until August, 1948, prohibiting eviction of such families where hardship would result. Since last August, many of these families with over-limit incomes have been moved out, and by the end of this year, all ineligible families will have received notices to vacate.

The false claim that public housing will not benefit low-income families demonstrates the unpleasant "dog-in-the-manger" attitude of the members of the real estate lobby. They know that the private housing industry is not supplying, and cannot in the foreseeable future supply, adequate housing for low-income families. They know that H.R. 4009 specifically provides that public housing will be provided only for those with incomes at least 20 per cent less than that needed to afford private housing. Knowing all this, they assert a plain falsehood in their effort to prevent us from doing what is necessary to provide housing for low income families. I am glad to know that more and more members of the

building industry are repudiating the blind and selfish dictation of the real estate lobby.

4. The real estate lobby claims that "public housing will not be used to clear slums, but will be built in areas where it can compete with private housing."

This claim is an excellent example of distortion of facts to confuse the people. I have already pointed out the provisions of the bill which insure that public housing will not compete with decent private housing, no matter where it is built. It will, of course, compete with slum housing—that is its purpose.

As to the claim that public housing will not be used to clear slums, the facts are as follows:

H.R. 4009 will authorize the first direct large-scale attack on slum areas we have ever had in this country. It provides a practical, realistic method for clearing blighted areas in cities and towns throughout the country.

When those slums are cleared away, it may be best to build public housing where they had been; it may be best to build private housing there; it may even be best not to build anything there, but to use the land for parks. In any event, the local community will decide what shall be done in each case.

The purpose of the public housing provisions of the bill is to provide adequate housing for low income families who are now forced to live in substandard quarters. Whether a public housing project is built in an area where slums have been cleared away or elsewhere in the city or town, families who lived in cleared slums have a first priority for admission to the project, provided they meet the income standard.

Thus, the bill does provide for slum clearance, and it does provide for public housing. But it does not, and should not, compel local housing authorities to erect public housing projects in every case exactly where the old slums were. To do so would obviously be ridiculous.

5. The real estate lobby claims that "the wishes of a local community will not be consulted but government housing will be imposed."

Nothing could be further from the truth. No slum clearance or public housing project can be initiated under the bill by anyone but a local agency, established under State and local law by the people of the local community. Before the local agency can request Federal assistance its proposals and plans must be specifically approved by the local city council or other governing body. The members of the local boards responsible for making plans, awarding contracts, supervising clearance or construction work, and operating the housing projects, are appointed not by Federal officials but by the mayors or governing bodies of the local municipality. The role of the Federal Government is very carefully restricted by this bill to furnishing technical advice and financial assistance, and assuring that the requirements of the law as written are faithfully observed.

The real estate lobby wants people to forget that for the past ten years we have had public housing projects of exactly this nature, in communities all over this country. The unpaid, public-spirited men and women who head the local housing authorities have been drawn from local business, professional, labor and farm groups—including, in many cases, members of the real estate and building industries. These men and women have been the first to testify that local wishes have been respected and local rights safeguarded.

This claim by the real estate lobby is an obviously false attempt to conjure up the

specter of Federal domination, which is completely refuted by the plain language of the bill and by ten years of practical experience.

6. The real estate lobby, which last year cried that we should not construct new public housing projects because private builders were building everything that was needed, this year is arguing that we should not construct public housing projects on the claim that there is no longer any need for them.

Both claims are fallacious. Neither last year nor this year have private builders been producing houses to meet the needs of the low-income families who will be served by this bill. The average rent of private rental projects insured by the Federal Housing Administration in 1948 was $87.50 per month. This rent is clearly beyond the means of a family with an annual income of less than $4,000. Practically no private rental projects have been constructed to rent for as little as $60 a month—a rental which can be assumed, though with difficulty, by a family with an annual income of $3,000.

Two conclusions are inescapable. First, low income families cannot afford the housing that is being built. Second, it should occasion no surprise that the private building market for higher-priced housing is tapering off—it is easy to saturate the market for housing in this country at monthly charges of $87.50 or more. This is happening now, even though the housing needs of millions of low-income and middle income families remain unmet.

This claim by the real estate lobby is clear proof that many members of the private building industry are still looking backward to the days when the housing industry went through violent fluctuations—building as fast as possible for several years, then building hardly anything for several years. Those fluctuations contributed greatly to the boom-and-bust cycle of the 20's and early 30's.

Instead of trying to go back to those days, the private building interests should be doing everything they can to bring about a steady flow of home building and a steady improvement of housing standards, which will contribute to the steady growth of our economy. H.R. 4009 will help strongly to bring about the steadier rate of home building that is so badly needed. Instead of wasting their energies trying to block the bill, the spokesmen for the private building industry should be searching out ways to reach the great demand for housing among families of middle income for whom adequate homes are not being built now and who will not be aided by low-rent public housing. If they would do this they would find a tremendous and profitable market.

7. The real estate lobby even attempts to twist the local tax features of the low-rent housing provisions of H.R. 4009 into an argument against the bill.

From the beginning of public housing projects in this country, local governments have been required to make a contribution equal to 20 per cent of the Federal contributions. Cities and towns uniformly have chosen to make this contribution in the form of exemptions from real and personal property taxes. H.R. 4009 simply writes this practice into law, unless the locality is legally barred from doing so, in which case the local contribution may be made in cash.

In order that the public housing projects shall bear a fair share of the cost of municipal services, such as schools, streets, and so on, H.R. 4009 authorizes payments in lieu of taxes equal to 10 per cent of the rental income of the project.

These are sensible and time-tested arrangements for achieving a reasonable and proper local participation in the cost of the projects. The payments in lieu of taxes will not, and should not, be equivalent to full local taxes. The local government should make some contribution to the subsidy needed to achieve low rents. To contribute through tax exemption is the best means that has been found.

It is noteworthy that municipal officials do not oppose this tax exemption—in fact they strongly support it. It can only be concluded that the people who know most about the financial needs of our cities and towns, and who are honestly concerned with keeping their fiscal affairs on a sound basis, understand that the benefits to be obtained by the cities and towns from the provision of decent low rent housing under this bill are far greater than any costs which they will incur through tax exemptions or otherwise.

8. The real estate lobby claims that to provide adequate housing for low-income families will encourage indolence and shiftlessness and destroy thrift and initiative.

This is the hoary old chestnut that has been used as an argument against proposals to advance the public welfare ever since the Nation was founded. It was used against public education a hundred years ago. It was used against minimum wage laws fifty years ago. Apparently the real estate lobby thinks it still has some propaganda value, even though it has been disproved time and time again.

The plain fact is that thrift, industry, and initiative are encouraged, not discouraged, by clean and decent housing. It is among people who are forced to live in firetraps, in crowded tenements, in alley dwellings, that are found the highest rates of poor health, poor education, juvenile delinquency, and the other disabilities that sap energy and initiative, and result in heavy costs to the community. The provision of adequate housing for the people to be aided by this bill will be a long step forward toward a happier, more thrifty and industrious people in our Nation.

against this bill is the claim that it is ganda argument of the real estate lobby against this bill is the claim that it is "socialistic."

Insofar as this argument is intended seriously, it is false. H.R. 4009 will strengthen, not weaken, private enterprise. Private builders, operating under contracts, will construct all of the housing projects to be built under the bill. The requirement for a 20 per cent gap between the upper rental income limits for admission to public housing projects and the lowest rents at which adequate private housing is being provided, new or old, for rent or for sale, assures that there will be no competition between public housing and private enterprise. The local public housing authorities will sell their bonds on the private investment market. Under the farm housing program, loans would be made only to those farmers who are unable to secure credit from private sources on terms they can afford to pay. The research program authorized in the bill is specifically designed to enable the private housing industry to serve a much broader market through improved methods and lower costs.

I am sure, however, that this argument by the members of the real estate lobby is not meant seriously. They know better. And so do the many individuals and organizations who have studied the facts of the matter and concluded that the bill is desirable. The 24 Republican and 33 Demo-

cratic members of the Senate who voted for a comparable bill did not believe the charge of socialism. The many distinguished newspapers throughout the country who support the bill do not believe it is socialistic. The American Legion, the Veterans of Foreign Wars, the American Veterans of World War II, the American Veterans Committee, the Disabled American Veterans, the Jewish War Veterans, the Catholic War Veterans—all of them have seen through the charge of socialism and support the bill. So do the American Municipal Association and the United States Conference of Mayors. The American Federation of Labor and the Congress of Industrial Organizations support the bill. So do the National Conference of Catholic Charities and the Congregational Christian Churches. So do the League of Women Voters, the National Council of Negro Women, the National Council of Catholic Women and the National Council of Jewish Women. So do the National Grange and the National Farmers Union. And so do the many other outstanding organizations and individuals who have testified that this legislation is necessary in the public interest.

Yet the real estate lobby, shortsighted and utterly selfish, continues to cry "socialism" in a last effort to smother the real facts and real issues which this bill is designed to meet.

These attempts to mislead and frighten the people and their representatives in the Congress—these false claims designed to prejudice some groups of the people against others—these malicious and willful appeals to ignorance and selfishness—are examples of selfish propaganda at its worst.

But I do not believe the people of our country, nor their representatives in the Congress, will permit themselves to be deceived. The facts speak for themselves. The people know that the country needs a full-scale program to provide decent housing for low-income families, to eliminate slums, and to improve housing standards for the great bulk of the people.

This bill presents such a program—a practical and tested program. It is not, as some would have you believe, some new and foreign program to be fastened upon the backs of our people against their will. A similar program was authorized under the United States Housing Act in 1937. That program was carried out successfully and was widely accepted by the people. Projects were built in 268 cities and towns, located in 37 States, the District of Columbia, Puerto Rico, the Virgin Islands and Hawaii.

Some of these projects were, of course, located in the largest cities, since the need there was serious. But projects were also built in such cities and towns as Lakeland, Florida; Peoria, Illinois; Holyoke, Massachusetts; Portland, Oregon; Knoxville, Tennessee; and Brownsville, Texas, where the need was also serious. Of the 268 cities and towns in which public housing projects were built, 104—39 per cent—had less than 25,000 population in 1940.

When the war ended, applications for public housing projects were received from 357 towns and cities, in 37 States, even though the existing authorization for Federal assistance was exhausted. At present, 42 States have enacted legislation providing for the establishment of local housing authorities. More than 470 such authorities have been established. They are waiting for the enactment of this bill.

It is dramatically apparent from the vast public support for H.R. 4009 that the people know that this bill is a part of the long-range effort we must make to build toward a

stronger economy, an increasing prosperity, and a happier and more secure citizenry in the United States.

I feel confident that the enactment of this legislation will greatly promote the general welfare. It will also prove of real benefit to those real estate interests that now oppose its enactment. To strengthen the whole fabric of our American society is to strengthen all its several parts.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Sam Rayburn, Speaker of the House of Representatives.]

NOTE: For the statement by the President upon signing the Housing Act of 1949, see Item 157.

127 Special Message to the Congress Upon Signing the Reorganization Act. *June* 20, 1949

To the Congress of the United States:

I have today signed the Reorganization Act of 1949. The provisions of this Act depart from my recommendation and that of the Commission on Organization of the Executive Branch in that they permit the rejection of reorganization plans by action of either House of Congress, acting alone. Nevertheless, I am glad to proceed, under this measure, in cooperation with the Congress on the important task of improving the organization of the executive branch.

I am today transmitting to the Congress seven reorganization plans, each with a related message setting forth its purpose and effects. I shall also transmit an additional message recommending legislation to place the management and financing of the Post Office Department on a more business-like basis. These reorganization measures will contribute significantly to the more responsible and efficient administration of Federal programs. They are important steps in putting into effect several major recommendations of the Commission on Organization of the Executive Branch of the Government.

During this session of the Congress, I have made a number of recommendations for improvement in the organization and management of the executive branch. They are closely related to the proposals submitted today.

The recommendations presented to the Congress at this session, in response to the specific opportunity presented by the reports of the Commission on Organization and the passage of the Reorganization Act, are of two types. First are those dealing with the general management of the Government and affecting all or a large number of the agencies. Second are those dealing with the organization of individual major departments or agencies.

With respect to general management:

Reorganization Plan No. 4 of 1949 rounds out the organization of the Executive Office of the President by transferring to it the National Security Council and the National Security Resources Board, two important over-all staff agencies of the executive branch.

Reorganization Plan No. 5 of 1949 improves the organization of the Civil Service Commission by making the Chairman responsible for the operation of civil service programs within regulations made by the Commission. This will free the Commis-

sion as a body to concentrate upon matters of basic policy and on the determination of appeals.

I have previously recommended legislation for carrying out the proposals of the Commission on Organization of the Executive Branch of the Government that salaries of top officials be raised. This is essential if the Government is to retain and acquire men with the vigor, imagination and experience necessary to make these reorganization measures truly effective.

I have previously recommended enactment of the Federal property and administrative services legislation which has passed the House of Representatives and is pending in the Senate. This legislation will create the General Services Administration and make fundamental improvements in the Government's system of procurement and property management.

Reorganization Plan No. 7 of 1949, which transfers the Public Roads Administration to the Department of Commerce, will facilitate the organization of the General Services Administration by enabling the new agency to focus its attention on perfecting central services and increasing the efficiency of the housekeeping activities of the Government. Furthermore, it will place the Public Roads Administration in its most appropriate location in the Government.

The Director of the Budget has been instructed to work with the departments and agencies in preparing budget estimates on a performance basis, as proposed by the Commission on Organization of the Executive Branch of the Government. This should provide a more understandable statement of Federal activities and of their financial requirements in the annual budget.

Other important steps for improving fiscal administration are included in the pending legislative revisions of the National Security Act and the legislation I shall propose for the Post Office Department. In addition, the executive agencies are cooperating with the General Accounting Office in improving their accounting systems.

Each of these actions is in general accord with the recommendations of the Commission on Organization of the Executive Branch of the Government. They do not complete the task of reorganizing the general management of the executive branch, but they represent a very significant beginning.

With respect to particular Departments and Agencies:

I have recommended, and the Congress has enacted, legislation to permit the reorganization of the Department of State along lines approved by the Commission on Organization. The internal reorganization of that Department is proceeding.

I have recommended, and the Senate has acted upon, a bill to amend the National Security Act and improve the organization and administration of our defense activities. It is essential that action be completed on this measure in order to provide responsible leadership for our defense establishment. This legislation will not only strengthen the administration of our armed forces in the interest of national security, it will also make possible major economies in the execution of activities common to the several armed forces.

Reorganization Plan No. 3 of 1949 and the legislation I shall recommend both deal with improvements in the operation and management of the Post Office. The plan and legislation would strengthen the top management of the Post Office and afford that Department greater financial and operating flexibility.

Reorganization Plan No. 1 of 1949 will

create a Department of Welfare to administer most of the programs now within the Federal Security Agency. The creation of this Department will meet a long standing need of the executive branch and recognize the importance of our social security, education, and related programs.

Reorganization Plan No. 2 of 1949 strengthens the Department of Labor by transferring to it the employment service and unemployment compensation activities. This conforms to the recommendations of the Commission on Organization of the Executive Branch and reverses undesirable developments of recent years which have scattered various labor programs throughout the Executive Branch.

Reorganization Plan No. 6 of 1949 provides for the more effective administration of the operating activities of the U.S. Maritime Commission by vesting executive authority in the Chairman.

These are important moves affecting major areas of the Federal Government. Additional actions will be required to deal with other problems of Departmental organization and administration. I intend to submit other reorganization plans and legislative recommendations to the Congress from time to time.

It is important that the Congress and the people appreciate the significance of these legislative proposals and reorganization plans. The common objective is a government establishment which performs its authorized functions with effectiveness and economy. We are seeking to obtain this through improvements in organization and administrative arrangements.

The approval of a reorganization plan or the enactment of a statute dealing with organizational and administrative arrangements does not automatically produce efficiency and economy or reduce expenditures. Only the curtailment or abolition of Government programs can be expected to result in substantial immediate savings. The significance of reorganization plans or legislation is that they make it possible to work out improvements in administration which will increase efficiency and reduce expenditures over a period of time. Thus, they provide a necessary basis for increased economy and efficiency.

I intend to see that full advantage is taken of the opportunity for securing better operations which the reorganization plans afford. This will require a steady and sustained effort to achieve improved management. Without such an effort a major purpose of the reorganization actions will not be realized.

Taken together, the actions listed in this message place before the Congress an initial program of reorganization covering certain areas which the Commission on Organization of the Executive Branch has stated hold great promise of increasing economy and efficiency. The Commission did not state the amount of savings which could be anticipated, nor is it possible for me to indicate their ultimate dollar effect. By enlarging the opportunity for effective management within the Government, however, they will lead to more efficient performance of services by the Government and lower costs. In addition to the potential economies, these actions will invigorate and promote better management within the Government.

They deserve the support of the Congress and the people.

HARRY S. TRUMAN

NOTE: The Reorganization Act of 1949 is Public Law 109 (63 Stat. 203).

See also Items 128–134, 140, 143 and note.

128 Message to the Congress Transmitting Reorganization Plan 1 of 1949 Establishing a Department of Welfare. *June* 20, 1949

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 1 of 1949, prepared in accordance with the provisions of the Reorganization Act of 1949. This plan will provide for a Department of Welfare to take its place among the principal executive departments of the Government. This new Department will perform the functions and conduct the programs now administered by the Federal Security Agency. Responsibility and authority for the administration of these programs will be vested in the Secretary of Welfare.

The creation of a Department of Welfare is long overdue. President Harding first recommended to the Congress the establishment of such a department in 1923. In 1937 President Roosevelt's Committee on Administrative Management likewise recommended the establishment of a Department of Social Welfare. More recently, the Commission on Organization of the Executive Branch of the Government has recommended the creation of a department to administer the social security and education functions of the Federal Government.

The foundation for the Department of Welfare was laid in 1939 with the establishment of the Federal Security Agency. With respect to this action the Senate Committee on Expenditures in the Executive Departments stated in its Report on the Reorganization Act of 1949 that "the Federal Security Agency should have been designated an Executive Department" at the time of its creation; but the Reorganization Act then in effect did not permit such action. A second step was taken by Reorganization Plan No. 2 of 1946, which transferred additional related activities to the Federal Security Agency and strengthened its internal organization. Again, the Reorganization Act then in effect did not authorize the designation of the Agency as an executive department. However, I stated in my message accompanying that plan:

". . . but, while this step is important in itself, I believe that a third step should soon be taken. The time is at hand when that agency should be converted into an executive department."

Since then I have several times proposed that the Federal Security Agency be made an executive department.

The central purpose of the Federal Security Agency is the conservation and development of the human resources of the nation. Plainly, as I stated in my message transmitting Reorganization Plan No. 2 of 1946:

"The size and scope of the Federal Security Agency and the importance of its functions call for departmental status and a permanent place in the President's Cabinet."

In number of personnel and volume of expenditures it now exceeds several of the existing executive departments. The range of its programs and the significance of their impact upon national development obviously entitle it to a place in the highest rank of Federal organizations.

On May 9th of this year, when it appeared probable that the reorganization legislation would not permit the establishment of a new department, I urged the Congress to enact a measure creating a Department of Welfare. Since that restriction was later eliminated from the Bill and the Reorganization Act of 1949 authorizes the establishment of an executive department, I have concluded that the reorganization plan procedure affords

the simplest and most expeditious method of creating a Department of Welfare.

In order to improve the administration of the Department, the plan consolidates in the Secretary of Welfare the functions now vested in the various officers and units of the Federal Security Agency and authorizes him to delegate their performance to appropriate officers and units of the Department. Thus, it carries out two of the cardinal recommendations of the Commission on Organization of the Executive Branch of the Government, namely, that the department heads should control and have full responsibility for the conduct of their departments and that they should have authority to organize their departments. Such authority will enable the Secretary to work out the most effective distribution of the work of the Department and will contribute both to efficiency and economy in administration and to the convenience of State agencies and the public in dealing with the Department.

After investigation I have found and hereby declare that each reorganization included in this plan is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949. I also have found and declare that by reason of these reorganizations it is necessary to include in the plan provisions for the appointment and compensation of a Secretary of Welfare to head the Department of Welfare and of an Undersecretary and three Assistant Secretaries to assist him in the proper performance of the heavy duties involved in the direction of the Department.

In submitting this reorganization plan, I am fully aware of the recommendations of the Commission on Organization of the Executive Branch of the Government with respect to the various units of the Federal Security Agency. Among these are proposals for certain transfers to or from other agencies. In Reorganization Plan No. 2 of 1949, which I am transmitting today, I am providing for one of the most important of these transfers. The other proposals are currently under study, but final conclusions have not yet been reached with respect to them. The establishment of the Department of Welfare will effectuate the one recommendation of the Commission on Organization of the Executive Branch of the Government for the creation of a new executive department. It will not in any wise interfere with the presentation of additional reorganization plans with respect to other recommendations of the Commission in this field or with the ability of the Congress to deal with any of them by statute.

The reorganizations included in this plan will provide for greater flexibility of internal organization, clearer responsibility, and more effective administration of the functions of the new Department. The benefits in improved service and lower costs will flow from the administrative actions made possible by the plan rather than immediately from the plan itself. Over a period it is probable that substantial reductions in expenditures will result in comparison with those which otherwise will be necessary, but it is not practicable at this time to itemize such reductions.

The creation of a Department of Welfare represents a sound and much needed step in the improvement of Federal organization. It provides appropriate recognition for the related and highly important functions which the Government carries on to advance the welfare of its people. I urge that the Congress allow this reorganization plan to become effective.

HARRY S. TRUMAN

NOTE: Reorganization Plan 1 of 1949 is printed in House Document 222 (81st Cong., 1st sess.). It did not become effective.

129 Message to the Congress Transmitting Reorganization Plan 2 of 1949: Bureau of Employment Security. *June* 20, 1949

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 2 of 1949, prepared in accordance with the provisions of the Reorganization Act of 1949. This plan transfers the Bureau of Employment Security, now in the Federal Security Agency, to the Department of Labor and vests in the Secretary of Labor the functions of the Federal Security Administrator with respect to employment services and unemployment compensation, the latter of which is now more commonly referred to as unemployment insurance. The plan also transfers to the Secretary of Labor the functions of the Veterans' Placement Service Board and of its chairman and abolishes that Board. These changes are in general accord with recommendations made by the Commission on Organization of the Executive Branch of the Government.

After investigation, I have found and hereby declare that each reorganization included in Reorganization Plan No. 2 of 1949 is necessary to accomplish one or more of the purposes set forth in section 2(a) of said Act. The primary benefits from these reorganizations will take the form of improvements in administration and service. It is probable that a significant reduction in expenditures will result from the taking effect of the plan as compared with the current estimates and workload assumptions contained in the 1950 Budget as amended, but an itemization of such savings is not possible in advance of the transfer.

One of the major needs of the executive branch is a sound and effective organization of labor functions. More than 35 years ago the Federal Government's labor functions were brought together in the Department of Labor. In recent years, however, the tendency has been to disperse such functions throughout the Government. New labor programs have been placed outside of the Department and some of its most basic functions have been transferred from the Department to other agencies.

In my judgment, this course has been fundamentally unsound and should be reversed. The labor programs of the Federal Government constitutes a family of interrelated functions requiring generally similar professional training and experience, involving numerous overlapping problems, and calling for strong, unified leadership. Together they form one of the most important areas of Federal activity. It is imperative that the Labor Department be strengthened and restored to its original position as the central agency of the Government for dealing with labor problems.

BUREAU OF EMPLOYMENT SECURITY

One of the most essential steps in improving the organization of labor functions is the transfer of the Bureau of Employment Security to the Department of Labor. This Bureau administers the activities of the Federal Government with respect to employment services and unemployment insurance. These activities mainly involve the review and apportionment of grants-in-aid, approval of State plans and grants, the conduct of research and developmental activities, and the provision of advice and assistance to the State agencies which actually conduct the services.

Public employment services and unemployment insurance are companion programs inextricably interrelated both in purpose and operation. The first assists workers

in finding jobs and employers in obtaining workers; the second provides cash benefits for the support of workers and their families when suitable jobs cannot be obtained. Thus, each complements the other. At the local operating level the two programs are almost invariably carried on in the same unit—the local employment office. At the State level they are administered by the same agency in nearly every State. As a result, an unusually high degree of coordination at the Federal level is essential.

There can be no question as to the basic consideration which must govern the administration of both of these programs. From the standpoint of all interested parties—the worker, the employer, and the public—the primary concern is employment. Essential as they are, unemployment benefits at a fraction of regular wages are a poor substitute for the earnings from a steady job. In the administration of these programs, therefore, primary attention must be focused on achieving the maximum effectiveness of the employment services. On them depend the prosperity and well-being of the worker and the extent of the unemployment compensation burden of the employer and the public.

I have long been convinced that the Department of Labor is the agency which can contribute most to the development of sound and efficient employment service. It has the understanding of employment problems and of the operation of the labor market which is essential in this field. It possesses the necessary specialists and the wealth of information on occupations, employment trends, wage rates, working conditions, labor legislation and other matters essential to employment counseling and placement.

Close working relations between the United States Employment Service and most of the agencies of the Labor Department are vital to the success of both. The Bureau of Labor Statistics has a fund of information on employment and occupations which is basic to the planning and operation of the Service. The Women's Bureau and the Child Labor Branch of the Wage and Hour Division afford expert advice on employment problems relating to women and adolescents. The Bureau of Labor Standards can assist the Service on questions of working conditions and other labor standards, and the Bureau of Apprenticeship on occupational training problems. At the same time the various agencies of the Labor Department need the detailed current information on labor problems and the condition of the labor market which the United States Employment Service possesses.

Experience has demonstrated that unemployment insurance must be administered in close relationship with employment service and other employment programs. In many of our industrial States, and in most foreign countries, unemployment insurance is administered by the agency responsible for labor functions. Furthermore, the unemployment insurance system has a vital stake in the effectiveness of the program for employment services, for what benefits the employment service also benefits the unemployment insurance program.

The transfer of the Bureau of Employment Security, including the United States Employment Service and the Unemployment Insurance Service, together with the functions thereof, will give assurance that primary emphasis will be placed on the improvement of the employment services and that the maximum effort will be made to provide jobs in lieu of cash benefits.

The plan also transfers to the Department of Labor the Federal Advisory Council created by the act establishing the United

States Employment Service. This Council consists of outstanding representatives of labor, management, and the public who are especially familiar with employment problems.

VETERANS' PLACEMENT SERVICE BOARD

Although the Veterans' Employment Service operates through the regular employment office system, its policies are determined by the Veterans' Placement Service Board created by the Servicemen's Readjustment Act of 1944. This Board consists of the heads of three Federal agencies, only one of which administers employment services. Furthermore, the full-time director of the Service is appointed by the Chairman of this Board, who is not otherwise engaged in employment service activity, rather than by the head of the agency within which the Service is administered. Such an arrangement is cumbersome and results in an undue division of authority and responsibility.

In order to simplify the administration of the Veterans' Employment Service and assure the fullest cooperation between it and the general employment service, the plan eliminates the Veterans' Placement Service Board and transfers its functions and those of its Chairman to the Secretary of Labor. By thus concentrating responsibility for the success of the Service, the plan will make for better service to the veteran seeking employment or vocational counseling.

This plan is a major step in the rebuilding and strengthening of the Department of Labor which I am convinced is essential to the sound and efficient organization of the executive branch of the Government.

HARRY S. TRUMAN

NOTE: Reorganization Plan 2 of 1949 is published in the U.S. Statutes at Large (63 Stat. 1065) and in the 1949–1953 Compilation of title 3 of the Code of Federal Regulations (p. 998). It became effective on August 20, 1949.

130 Message to the Congress Transmitting Reorganization Plan 3 of 1949: Post Office Department. *June* 20, 1949

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 3 of 1949, prepared in accordance with the provisions of the Reorganization Act of 1949. This plan constitutes an important first step in strengthening the organization of the Post Office Department.

One of the prime essentials of good departmental administration is authority from the Congress to a department head to organize and control his department. The Commission on Organization of the Executive Branch of the Government emphasized in its first and subsequent reports that separate authorities to subordinates should be eliminated. The plan gives the Postmaster General the necessary authority to organize and control his department by transferring to him the functions of all subordinate officers and agencies of the Post Office Department, including the functions of each Assistant Postmaster General, the Purchasing Agent, the Comptroller and the Bureau of Accounts. The Postmaster General is au-

thorized to delegate to subordinates designated by him such of his functions as he may deem appropriate.

The Postmaster General is responsible for the management of one of the world's largest businesses. Like the head of any large business, the Postmaster General should be given adequate top level assistance in carrying on the operations of the Department so that he may have time to devote to matters of departmental and public policy. In order to provide needed assistance to the Postmaster General, the plan establishes the positions of Deputy Postmaster General, and four Assistant Postmasters General, comparable to the positions of Undersecretary and Assistant Secretaries in other departments.

The plan also establishes an Advisory Board for the Post Office Department composed of the Postmaster General, the Deputy Postmaster General, and seven other members representing the public, who shall be appointed by the President by and with the advice and consent of the Senate. The Advisory Board will make available to the Postmaster General the advice of outstanding private citizens and will afford a useful channel for the interchange of views between postal officials and the public concerning the operations of the postal service.

I have found after investigation that each reorganization contained in the plan is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949. I have also found and hereby declare that by reason of the reorganization made by this plan, it is necessary to include in the plan provisions for the appointment and compensation of the Deputy Postmaster General, four Assistant Postmasters General, and members of the Advisory Board for the Post Office Department. The plan abolishes the Bureau of Accounts of the Post Office Department and the offices of Comptroller, Purchasing Agent, First, Second, Third, and Fourth Assistant Postmasters General.

This plan carries into effect those of the recommendations of the Commission on Organization of the Executive Branch of the Government respecting the Post Office Department which can be accomplished under the provisions of the Reorganization Act. I am also transmitting to the Congress recommendations for legislation which will implement other recommendations of the Commission and place the operations of the Post Office Department on a more business-like basis.

The primary result of this reorganization plan will be more effective administration. Although a substantial reduction in expenditures will not be brought about by the plan alone, major economies can be achieved over a period of time as a result of this plan and the enactment of the postal legislation which I am recommending to the Congress.

HARRY S. TRUMAN

NOTE: Reorganization Plan 3 of 1949 is published in the U.S. Statutes at Large (63 Stat. 1066) and in the 1949–1953 Compilation of title 3 of the Code of Federal Regulations (p. 999). It became effective on August 20, 1949.

131 Message to the Congress Transmitting Reorganization Plan 4 of 1949: National Security Council and National Security Resources Board. *June* 20, 1949

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 4 of 1949, prepared in accordance with the provisions of the Reorganization Act of 1949. The plan transfers the National Security Council and the National Security Resources Board to the Executive Office of the President. After investigation I have found, and I hereby declare, that each reorganization included in the plan is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

The growth of the executive branch and the increasingly complex nature of the problems with which it must deal have greatly intensified the necessity of strong and well-coordinated staff facilities to enable the President to meet his responsibilities for the effective administration of the executive branch of the Government. Ten years ago several of the staff agencies of the executive branch were brought together in the Executive Office of the President under the immediate direction of the President. The wisdom of this step has been demonstrated by greatly improved staff assistance to the President, which has contributed importantly to the management of the Government during the trying years of war and of post-war adjustment.

Since the creation of the Executive Office of the President, however, the Congress has further recognized the need for more adequate central staff and created two new important staff agencies to assist the President—the National Security Council and the National Security Resources Board. The primary function of the first of these agencies, as defined by statute, is "to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security." The function of the second is "to advise the President concerning the coordination of military, industrial, and civilian mobilization."

Within their respective fields these agencies assist the President in developing plans and policies which extend beyond the responsibility of any single department of the Government. In this they play a role similar in character to that of the various units of the Executive Office of the President. In fact, many of the problems with which they deal require close collaboration with the agencies of the Executive Office.

Since the principal purpose of the National Security Council and the National Security Resources Board is to advise and assist the President and their work needs to be coordinated to the fullest degree with that of other staff arms of the President, such as the Bureau of the Budget and the Council of Economic Advisers, it is highly desirable that they be incorporated in the Executive Office of the President. The importance of this transfer was recognized by the Commission on Organization of the Executive Branch of the Government, which specifically recommended such a change as one of the essential steps in strengthening the staff facilities of the President and improving the over-all management of the executive branch.

Because of the necessity of coordination with other staff agencies, the National Security Council and the National Security

Resources Board are physically located with the Executive Office of the President and I have taken steps to assure close working relations between them and the agencies of the Executive Office. This plan, therefore, will bring their legal status into accord with existing administrative practice. It is not probable that the reorganizations included in the plan will immediately result in reduced expenditures. They will, however, provide a firm foundation for maintaining and furthering the efficient administrative relationships already established, and for assuring that we have provided permanent arrangements vitally necessary to the national security.

HARRY S. TRUMAN

NOTE: Reorganization Plan 4 of 1949 is published ing the U.S. Statutes at Large (63 Stat. 1067) and in the 1949–1953 Compilation of title 3 of the Code of Federal Regulations (p. 1000). It became effective on August 20, 1949.

132 Message to the Congress Transmitting Reorganization Plan 5 of 1949: Civil Service Commission. *June* 20, 1949

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 5 of 1949, prepared in accordance with the provisions of the Reorganization Act of 1949. This plan provides for unified direction by the Chairman of the United States Civil Service Commission of the executive affairs of the Commission. At the same time, it maintains the advantages of the bipartisan three-member Commission. The Commission will continue to advise the President on the civil service system, to issue the basic civil service regulations, and to assure protection of merit system principles by conducting investigations and determining appeals.

The need for this reorganization stems from the government-wide importance of civil service administration in the executive branch. As in private business, the effectiveness of government departments and agencies depends in very large part on the competence and morale of the officers and employees. The management of every department and almost every agency and independent establishment is intimately affected by the civil service system. It is essential that the Commission which directs that system should be effectively organized to discharge its responsibilities. This plan carries into effect one of the major recommendations of the Commission on Organization of the Executive Branch of the Government.

The Civil Service Commission was established in 1883 as a three-member body to aid the President in making the civil service rules, and to administer a comparatively simple civil service system. Each commissioner was made equally responsible under the law for performing the functions assigned to the Commission and the three members functioned as a body in the management of the agency.

Sixty-six years ago the new agency conducted a single major operating program—the recruitment and examination of candidates for admission to the civil service. Eight executive departments then constituted the entire executive branch. The total Federal employment was about 110,000. That is less than are now employed by any one of the five largest executive agencies.

Today the work of the Commission is vastly different, reflecting the great changes in the government itself and the progress

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that has been made in personnel management, both in government and private business. To this original job of recruitment and examination, Acts of Congress have subsequently added many other operating programs. Two of these in particular involve large-scale operations: the administration of the Civil Service Retirement System and the administration of the Classification Act. This augmented program applies today to a government about 20 times as large as that of 1883, employing men and women drawn from almost every American occupation and profession. The statutory structure of the Civil Service Commission itself, however, has not been adjusted over the years to its changing functions.

In its analysis of Federal personnel management, the Commission on Organization of the Executive Branch of the Government stressed the distinction between two types of functions now vested in the Civil Service Commission. In the interest of effective and equitable administration the nature of each of these functions must be recognized.

The development and promulgation of civil service regulations for the guidance of the departments and agencies under the civil service, and the conduct of hearings on matters appealed by individuals or departments are appropriate for a three-member bipartisan Commission. Here deliberation is important for the protection of the integrity of the civil service system.

On the other hand, the administrative direction of the day-to-day operations of the Commission's staff requires the unified leadership of one responsible individual. This is particularly so because of the operating relationships with the departments and agencies. Here decisive, prompt and vigorous action is essential.

The operational functions require a type of leadership different from that useful for the deliberative functions. But under the present statutory organization, the same multiple leadership is provided for both.

Accordingly, this reorganization plan separates day-to-day administration from the regulatory and appellate functions. It leaves vested in the full Commission final authority with respect to: (1) the formulation of civil service rules and regulations; (2) hearing and taking action on all types of appeals; (3) the administration of the political activity statutes; (4) the investigation of all matters pertaining to the civil service, and (5) the function of recommending measures to the President to promote the more effectual accomplishment of the objectives of the civil service laws and rules.

To aid the full Commission in the exercise of these powers, the plan provides that the regular, full-time personal assistants to the Commission shall be appointed by the Commission itself, and that regional directors and the heads of major administrative units shall be appointed by the Chairman only after consultation with the other Commissioners.

At the same time, to facilitate the most effective and expeditious administration of civil service matters and related affairs, the plan concentrates operating responsibility and accountability in the Chairman by vesting in him the operating functions under the civil service rules and regulations. As the chief executive and administrative officer, the Chairman is empowered to appoint, supervise and direct the Commission staff in the administration of the Commission's affairs. In the conduct of civil service operations the Chairman is subject to the regulations of the full Commission and to their investigatory powers and appellate jurisdiciton. The plan leaves undisturbed the civil service laws and rules as the con-

trolling body of policy. It preserves the bipartisan nature of the Commission.

To provide assurance of undivided responsibility, the plan transfers to the Chairman all of the functions now vested in the President of the Commission, the Executive Director and Chief Examiner, and the Secretary of the Commission.

Thus the plan provides suitable organization arrangements for both the deliberative and the operational functions.

The plan also provides for the position of Executive Director, under the classified competitive civil service. He is to be the chief operating deputy to the Chairman. The Executive Director is authorized to perform the executive and administrative functions of the Chairman in his absence, but is specifically prohibited from sitting as a member or acting member of the Commission.

I have found after investigation and hereby declare that each reorganization included in the plan is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949. I have also found and hereby declare that by reason of the reorganizations made by this plan, it is necessary to include in the plan provisions for the appointment and compensation of the Executive Director.

It is important to consider the economies which will be realized by the adoption of reorganization plans. The Commission on Organization of the Executive Branch of the Government in its report on Personnel Management stated:

"This is, of course, an area in which it is difficult to develop estimates of savings. After a careful consideration, however, of the various factors involved, the Commission does believe that great savings can be achieved if the Commission's recommendations are put into effect."

The economies to be attained by this plan will result from improvements in the operation of the civil service system. It is improbable, however, that this plan, in itself, will result in substantial immediate savings. To accomplish the benefits envisioned in the report of the Commission on Organization of the Executive Branch of the Government, this first step of internal adjustment in the organization of the Civil Service Commission should be followed by revisions in basic personnel legislation.

The modification of the Civil Service Commission here proposed is designed to create a modern organization to meet today's problems—an organization which safeguards the merit principles of the civil service and at the same time makes possible the exercise of responsible, unified leadership in the administrative operations of the civil service system.

HARRY S. TRUMAN

NOTE: Reorganization Plan 5 of 1949 is published in the U.S. Statutes at Large (63 Stat. 1067) and in the 1949–1953 Compilation of title 3 of the Code of Federal Regulations (p. 1000). It became effective on August 20, 1949.

133 Message to the Congress Transmitting Reorganization Plan 6 of 1949: United States Maritime Commission. *June* 20, 1949

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 6 of 1949, prepared in accordance with the Reorganization Act of 1949. This plan is designed to strengthen the administration of the United States Maritime Commission by making the Chairman the chief executive and administrative officer of the Commission

and vesting in him responsibility for the appointment of its personnel and the supervision and direction of their activities. After investigation, I have found and hereby declare that each reorganization included in this plan is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

Unlike other major regulatory commissions, the Maritime Commission is responsible not only for the performance of important regulatory functions but also for the administration of large and complex operating and promotional programs. Whereas the budgets of most regulatory agencies amount to only a few million dollars annually, the expenditures of the Maritime Commission exceed $130,000,000 a year. As a result of the war, the Commission is the owner of a fleet of over 2,300 ships aggregating more than 23,000,000 deadweight tons.

While it is the policy of the Government, as set forth by the Merchant Marine Act of 1936 and the Merchant Ship Sales Act of 1946, to develop and maintain an adequate and effective merchant marine under private ownership, the Commission is still confronted with the necessity of carrying on substantial programs for the charter and sale of government-owned vessels and with the continuing task of maintaining the reserve merchant fleet.

Apart from its functions with respect to the war-built fleet, the accomplishment of the Government's permanent objective with respect to the development of the American merchant marine inevitably involves the Commission in a wide variety of activities. Among these are the regulation of rates and competitive practices of water carriers, the determination of essential trade routes and services, the award of subsidies to offset differences between American and foreign costs, the design and construction of ships, the inspection of subsidized vessels, and the training of seamen.

In the last two years the operation of the Maritime Commission has been subjected to independent examination by three bodies—the President's Advisory Committee on the Merchant Marine, the Senate Committee on Expenditures in the Executive Departments, and the Commission on Organization of the Executive Branch of the Government. All of these studies have pointed to difficulties in the conduct of the Commission's business and the necessity of improved organization to strengthen the administration of the agency. The remedies proposed have differed in some respects, but all the studies have emphasized the need of concentrating in a single official the management of a large part of the agency's work.

During the war such a concentration was temporarily accomplished by executive order under the authority of the First War Powers Act. In effect, the Chairman of the Commission as War Shipping Administrator was made directly responsible for the administration of several major operating programs of the Commission. This arrangement proved its value under the stress of war. About a year after the end of the fighting, however, it was terminated and the organization reverted to the prewar pattern.

As a result of postwar experience, the Commission appointed a general manager in 1948. While this has brought considerable improvement, it has not extricated the Commission from administration to the degree which is desirable.

After careful consideration of the problems involved in improving the operation of the Maritime Commission, I have con-

cluded that the proper action at this time is to concentrate in the Chairman the responsibility for the internal administration of the agency. This is achieved by the proposed reorganization plan by transferring to the Chairman the appointment of the personnel of the agency, except for the immediate assistants of the Commissioners, and the supervision and direction of their work. This is substantially the arrangement recommended for regulatory commissions by the Commission on Organization of the Executive Branch of the Government.

Such a plan of organization has many advantages. It leaves in the Commission as a body the performance of regulatory functions, the determination of subsidies, and the determination of major policies. Thus, it utilizes the Commission for the type of work for which such a body is best adapted. At the same time the plan places under a single official the day-to-day direction of the work of the staff within the policies and determinations adopted by the Commission in the exercise of its functions. This will provide more businesslike administration and help to overcome the delays, backlogs, and operating difficulties which have hampered the agency. At the same time by freeing the members of the Commission of much detail, the plan will enable them to concentrate on major questions of policy and program and thereby will obtain earlier and better considered resolution of the basic problems of the agency.

Though the taking effect of this plan in itself may not result in substantial immediate economies, it is probable that the improved organizational arrangements will bring about, over a period of time, improved operations and substantially reduced expenditures. An itemization of these reductions, however, in advance of actual experience under the plan is not practicable.

I am convinced that this reorganization plan will contribute importantly to the more businesslike and efficient administration of the programs of the Maritime Commission.

HARRY S. TRUMAN

NOTE: Reorganization Plan 6 of 1949 is published in the U.S. Statutes at Large (63 Stat. 1069) and in the 1949–1953 Compilation of title 3 of the Code of Federal Regulations (p. 1001). It became effective on August 20, 1949.

134 Message to the Congress Transmitting Reorganization Plan 7 of 1949: Public Roads Administration. *June* 20, 1949

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 7 of 1949, prepared in accordance with the provisions of the Reorganization Act of 1949. This plan transfers the Public Roads Administration to the Department of Commerce. After investigation I have found and hereby declare that each reorganization included in this Plan is necessary to accomplish one or more of the purposes set forth in Section 2(a) of the Reorganization Act of 1949.

This plan directly carries out the recommendation of the Commission on Organization of the Executive Branch of the Government with respect to the Public Roads Administration. That the Department of Commerce is the appropriate location for the Public Roads Administration in the executive branch is evident from the nature

of its functions and the basic purpose of the Department. The Public Roads Administration is primarily engaged in planning and financing the development of the highways which provide the essential facilities for motor transportation throughout the country. Thus, it comes directly within the purpose of the Department of Commerce, as defined by its organic act, which provides: "It shall be the province and duty of said Department to foster, promote, and develop the foreign and domestic commerce . . . and the transportation facilities of the United States."

In its reorganization proposals the Commission on Organization of the Executive Branch of the Government adhered to the statutory definition of the functions and role of the Department of Commerce. President Franklin D. Roosevelt and the Congress likewise were guided by this concept of the Department in transferring to it the Civil Aeronautics Administration and the Inland Waterways Corporation under the Reorganization Act of 1939. A careful review of the structure of the executive branch reveals no other department or agency in which the Public Roads Administration can so appropriately be located.

The desirability of this transfer of the Public Roads Administration is further emphasized by its relation to the Federal Property and Administrative Services Bill now pending in the Senate. This Bill creates a new General Services Administration and concentrates in it the principal central administrative service programs of the executive branch. The bill also revises the basic legislation on property management. It has been passed by the House of Representatives by an overwhelming vote and unanimously reported by the Senate Committee on Expenditures in the Executive Departments and awaits final action on the floor of the Senate. This measure substantially conforms to recommendations which I submitted to the Congress more than a year ago and to proposals more recently presented by the Commission on Organization of the Executive Branch of the Government with which I concur. The enactment of this Bill will constitute an important step in increasing the efficiency of Federal administration. Since the Bill makes permanent provision for the disposal of surplus property, now handled by the War Assets Administration which will expire by law on June 30, early enactment is vital.

In establishing the General Services Administration the Federal Property and Administrative Services Bill transfers to the Administration all of the functions and units of the Federal Works Agency. Part of these functions relating to the housing of the governmental establishment clearly fall within the purpose of such an Administration. Certain other functions of the Federal Works Agency, however, bear very little real relation to the objectives of the General Services Administration. The Congressional committees which have dealt with the Bill have frankly indicated that further consideration must be given to the proper location of some of the programs of the Federal Works Agency. The sooner these unrelated programs can be removed from the new agency, the sooner it can concentrate its efforts upon improving administrative services throughout the executive branch and make the contribution to governmental efficiency for which it has been designed.

Principal among the programs of the Federal Works Agency which are unrelated to the General Services Administration are those of the Public Roads Administration.

This agency is primarily engaged in the administration of Federal grants to States for highway purposes rather than in the performance of services for other Federal agencies. Its functions, therefore, do not fall within the field of activities of the General Services Administration. Their inclusion cannot but complicate and impede the development of the General Services Administration in the performance of its intended purpose. This reorganization plan will eliminate such a difficulty.

Since the Public Roads Administration will be transferred bodily from one major agency to another, it is not to be expected that this reorganization will directly result in any appreciable reduction in its expenditures at this time. However, the plan will make for better organization and direction of Federal programs relating to transportation. Assuming the early enactment of the Federal Property and Administration Services Bill, the plan will also materially simplify the development of the proposed General Services Administration and thereby facilitate improvements in the efficiency of administrative services throughout the government.

HARRY S. TRUMAN

NOTE: Reorganization Plan 7 of 1949 is published in the U.S. Statutes at Large (63 Stat. 1070) and in the 1949–1953 Compilation of title 3 of the Code of Federal Regulations (p. 1002). It became effective on August 20, 1949.

135 Statement by the President Upon Signing Bill Extending Certain Benefits to Reservists and National Guardsmen. *June* 20, 1949

I HAVE today signed S. 213, 81st Congress, an act to provide benefits for members of the reserve components of the armed forces who suffer disability or death from injuries incurred while engaged in active-duty training for periods of less than 30 days or while engaged in inactive-duty training.

The purpose of this act is to extend to reservists of all branches of the armed services (including national guardsmen) who are killed or injured while rendering service or undergoing training under competent orders for short periods of time the same benefits they would receive if serving for longer periods.

At the present time, members of the regular establishment and reservists on extended active duty (which means active duty in excess of 30 days) if killed or disabled in line of duty are entitled to receive certain benefits with respect to hospitalization, pay, death benefits, and, if permanently disabled, retirement benefits. On the other hand prior to the enactment of S. 213, reservists on duty or undergoing training for less than 30 days have had only very limited protection in some of these respects.

The new act makes protection uniform regardless of whether the period of duty or training is more or less than 30 days. This will cover inactive duty training, including drills, as well as active duty training. It will also cover training duty injuries regardless of whether the individual is serving with or without pay. S. 213 applies to both officer and enlisted personnel. Its provisions are retroactive to August 14, 1945, when the fighting ended.

The principle of this legislation was recommended in the reports of the Committee on Civilian Components (the Gray Board) and the Advisory Commission on Civilian Pay (the Hook Board).

S. 213 will eliminate a discrimination which has existed against reservists and national guardsmen. I believe that it will contribute materially toward promoting our training program for these reserve components whose morale and efficiency are so vital to our national security.

NOTE: As enacted, S. 213 is Public Law 108 (63 Stat. 201).

136 Statement by the President Reporting on the Paris Meeting of the Council of Foreign Ministers. *June* 21, 1949

THE SECRETARY of State has given me daily reports, and now a final report, on the recently concluded session of the Council of Foreign Ministers in Paris.

Genuine progress was made at this session toward the conclusion of the treaty with Austria. This is a development which I know will be most welcome to the people of Austria, who for 4 years since the end of hostilities have lived under a regime of occupation. Almost 6 years ago, at the first Moscow Conference in 1943, it was solemnly declared that Austria was to be regarded not as an enemy country but as a liberated country, the first victim of Nazi aggression, and it has been the consistent effort of the United States Government and the Governments of the United Kingdom and France to honor the pledge made at that time. Yet previous meetings of the Council of Foreign Ministers and their Deputies failed to remove the obstacles which certain Soviet claims concerning Austria placed in the way of a speedy conclusion of a treaty with the Austrian Republic.

At the Paris session the more important of these obstacles were finally removed by a freely negotiated agreement among the four powers, and we have reason to hope that before the end of the year the treaty may be signed. Such a positive achievement would be very gratifying. The Austrian people will acclaim this progress and they in turn should be commended for their attitude of patient understanding throughout the protracted negotiations. The Austrian Government has been currently consulted during the negotiations in Paris, and the agreement reached preserves intact the vital interests of Austria. It can be said that the goal so important for Austria and her people is at last in sight. The United States Government wholeheartedly welcomes the results of the Conference on Austria.

The same cannot be said regarding Germany. It must be frankly admitted that despite the forward-looking program sponsored by the Western powers as a basis for unification, little progress was made. The American delegation went to Paris with the serious intention of developing a constructive program which would meet the requirements for all of Germany and would safeguard the interests of all four powers in insuring that Germany would achieve its reconstruction along peaceful and democratic lines. At the same time, the Western powers were determined not to compromise the democratic principles and the conditions which must be established throughout Germany before an economically sound and workable solution can be found for German

unity. They were equally determined not to jeopardize the basic freedoms as they now exist in Western Germany merely to obtain a nominal political unity. In these objectives they knew they had the support of the freely elected representatives of the majority of the German people.

The Soviet Union, on the other hand, sought a return to Potsdam and its system, which the Russians had rendered unworkable by their misuse of the unlimited veto. They refused to recognize the important progress which has been made in Western Germany since 1945.

In these circumstances, real progress for the unification of Germany and its people was impossible. The most that could be achieved was a working arrangement designed to mitigate the abnormal situation of a still divided Germany. This arrangement is no more nor less than what it professes to be—a means of dealing with what actually exists. It reaffirms the lifting of the Berlin blockade and contains the recognition by the occupation authorities of their obligation to insure the movement of persons and goods between the Eastern and Western Zones and between Berlin and the zones.

In an effort to mitigate the economic consequences of the existing division of Germany, the arrangement provides for consultation among the occupation authorities of the four occupying powers on practicable and useful measures which may be taken from time to time, particularly to facilitate and increase the flow of balanced trade between the different zones and the zones and sectors of Berlin in a manner advantageous to the Germans of the respective areas. To this end we are also prepared to call upon the expert assistance of the Germans in the Western Zones and Sectors. Since it proved impossible to establish a unified administration for Germany or even for Berlin, the present dual currency system must remain for the time being.

We are hopeful that such consultations and efforts may be fruitful. We shall endeavor to make them so.

Finally, our working arrangement calls for an exchange of views in the fall. Thus the door is left open to future efforts for a solution of the German problem and the achievement of peace in Europe.

The Secretary of State has informed me of the close cooperation and understanding which characterized the relations of the three Western powers throughout the conference. I take much satisfaction in this. It is a demonstration of the progress made possible by the identity of ideals and values which are the common heritage of the peoples of the Atlantic community.

I am convinced that the results of the Paris meeting of the Council of Foreign Ministers reveal the correctness of the policies this Government has been following in our foreign affairs. The results again underline the necessity of pursuing these policies with calmness and determination, as the only sure road to the establishment of conditions in the world where peace and freedom can live and endure. I am confident that the American people see this as clearly as I do and that there will be no slackening of our efforts to achieve the great task which history has placed upon our country.

34-483—64——24

137 Special Message to the Congress on the Need for Raising the Salaries of Federal Executives. *June 23, 1949*

To the Congress of the United States:

I have today approved H.R. 4583, relating to telephone and telegraph service and clerk hire for Members of the House of Representatives. This Act provides an additional allowance of $3,000 a year for each Member of the House of Representatives for clerk hire and authorizes an allowance of $500 a year for each Member for sending telephone and telegraph communications.

I have signed this Act willingly, for I believe that it is in the interest of the Government and of the people to provide for the efficient conduct of the public business. I have no doubt that the benefits derived from this legislation will fully justify its cost, which is relatively small in the light of the magnitude of the problems confronting the Government.

I feel constrained to point out to the Congress again, however, an opportunity which it has for a greater improvement of the public service than will be accomplished by this legislation, and at approximately the same cost. I have heretofore recommended that the Congress enact legislation to raise the salary scales for the heads and assistant heads of executive departments and other officials of the executive branch having comparable responsibilities. Bills for this purpose have been reported from committees in both Houses of Congress and have been on their respective calendars for weeks. Though the salaries provided in these bills are not, in my judgment, fully commensurate with the great responsibilities of the positions involved, they would substantially better the present demoralizing situation. The cost of this legislation would be approximately $1,300,000 annually, compared with $1,314,000 for clerk hire alone under H.R. 4583, which I have just signed.

Important as it is for Members of the Congress to have adequate clerical assistance, it is at least of equal importance to have men of ability in the key executive positions in the Government. The best of laws can be ruined by poor administration. The success or failure of all the things the United States Government undertakes to do depends in large measure upon the wisdom and ability of these executives. It is upon them that we must rest most of our hopes for economy and efficiency in the Government. Even a small improvement in the economy and efficiency of the vast operations under the direction of these men is obviously of much greater consequence than the cost of the proposed salary increases. The soundness of this principle has been demonstrated in American business concerns, where it is well recognized that the success or failure of an enterprise depends largely upon its executive officers, and their salaries are fixed accordingly.

The relative salary position of Federal executives has become increasingly worse during recent years. There has been no increase in the salaries of Cabinet officers since 1925. Members of important commissions whose salaries were set at $10,000 many years ago still get the same amount. For example, the salaries of Federal Trade Commission members were fixed at $10,000 in 1914 and have never been raised, although in terms of real income that amount, even before taxes, is less than half of what it was thirty-five years ago. The absurdity of the present situation is illustrated by the fact

that many Federal executives now have assistants who receive higher salaries than they do.

The Congress has already recognized the need for greater compensation for other groups of Federal officers and employees, including the Members of Congress themselves. Prior to 1925, Senators and Representatives received an annual salary of $7,500 each. At the same time, Cabinet officers received $12,000 and members of important boards and commissions received $10,000. In 1925, the salaries of Senators and Representatives were increased to $10,000 and those of Cabinet officers were increased to $15,000. No corresponding general increase was made in the salaries of other executive officers. In 1946, the Congress further increased the salaries of Senators and Representatives to $12,500, and at the same time provided for each of them a tax-free expense allowance of $2,500. Because this allowance is tax-free, the compensation of Members of Congress is now equivalent to approximately $16,000 a year. Thus, the compensation of Senators and Representatives has been more than doubled in the last 25 years, while there has been no general increase at all in the salaries of the executive officials here in question.

Over this same 25-year period, the salaries of Federal judges have also been substantially increased. The salaries of district and circuit judges have been doubled, and those of Supreme Court justices have been increased by more than two-thirds.

The Congress has also raised the compensation of the President, the Vice-President, and the Speaker of the House of Representatives. The annual salary of the President was increased from $75,000 to $100,000 earlier this year, and at the same time he was provided with a $50,000 tax-free expense allowance. While this increase was made without any recommendation or suggestion on my part, I am grateful to the Congress for the spirit which moved it to enact the increase speedily in order that I might receive its benefits. Nevertheless, the proposed increases for other officers in the executive branch, besides resulting in far greater public benefit than the increase in the President's salary, would actually do more to improve the President's personal situation than the increase in his own salary. For one of the greatest burdens of the Presidency is in finding and keeping good men for big jobs, and under present conditions that is a most difficult task.

The Congress has already recognized the need for increased compensation for Federal employees below the top executive level. Since 1945, the rates of compensation for these employees have been increased three times, largely to meet increased living costs. These increases have been proportionately greater in the lower grades than in the higher, and in the lower grades the total increases range up to 96 per cent. The salary schedules for Federal employees still need revision, and I have recommended such revision to the Congress.

I thoroughly approve of adequate salaries for all our Federal employees. Increased prosperity for our Nation depends upon the constant betterment of the living standards of the great body of our citizens. In the promotion of the general welfare, Federal employees should not be neglected. However, I am urging increased compensation for Federal executives not primarily as a matter of equity—although it is well justified on equitable grounds—but primarily as a matter of good business from the standpoint of the Government.

It is customary in private industry for an

executive to be paid many times as much as he would be paid for comparable work in Government service. Salaries of $50,000 to $100,000 a year in private industry are not uncommon. In 1948, General Motors Corporation paid to 53 of its officers and directors an average salary of $51,760 each. The 15 top executives of the DuPont company were paid an average salary of $213,175 each—an aggregate amount for these 15 men greater than the total salaries now paid to all the 250 or so Federal officers whose salaries would be increased by the legislation before the Congress.

When it is considered that the responsibilities of many top Government executives are far greater than those of any private executive in the Nation, it is evident why the Government has great difficulty in obtaining and keeping the best men. Even when they are prevailed upon as a matter of public duty to serve in the Government, too often they find that they can afford to serve for a limited time only. Thus men are lost to the Government just when they have had the experience which brings them to the peak of their effectiveness. Such a process is obviously poor business and any apparent saving in funds for salaries is obviously a disservice to the taxpayers.

These truths were clearly recognized by the Commission on Organization of the Executive Branch. That Commission urged more realistic salaries for Federal executives as a means of achieving greater economy and efficiency in governmental activities. The legislation for increased executive salaries now pending in the Congress is fully supported by the recommendations of that Commission. So long as the Congress fails to take this simple and obvious step to improve the Government service, there will be an important gap in our efforts to achieve economy and efficiency.

For the compelling reasons set forth above, I believe that the legislation now pending to increase the salaries of officers in the executive branch is a fundamental step toward the more effective operation of the Government. Therefore, I again urge the Congress to complete favorable action upon this legislation at an early date.

HARRY S. TRUMAN

NOTE: As enacted, H.R. 4583 is Public Law 121 (63 Stat. 264).

On October 15, 1949, the President approved a bill "to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies" (63 Stat. 880).

138 Letter to Senator O'Mahoney Upon Signing Resolution Authorizing the Publication of "Economic Indicators." *June 23, 1949*

Dear Senator O'Mahoney:

It is particularly important to our Government's efforts to promote the objectives of maximum employment, production, and purchasing power, as set forth in the Employment Act of 1946, that there be broad public knowledge concerning economic facts and developments. It is, therefore, with great pleasure that I am signing S.J. Res. 55, which authorizes the publication of "Economic Indicators," as a regular Government document.

It will now be possible for people throughout the country to follow each month the compilation of economic charts and statistics prepared for the Joint Committee on

the Economic Report by the Council of Economic Advisers as this document will be available on a subscription basis from the Superintendent of Documents.

Please convey to each member of the Joint Committee on the Economic Report my appreciation for the constructive work your committee has done in bringing basic economic facts to the attention of the Congress and the people.

Sincerely yours,

HARRY S. TRUMAN

[Honorable Joseph C. O'Mahoney, United States Senate, Washington, D.C.]

NOTE: As enacted, S.J. Res. 55 is Public Law 120 (63 Stat. 264).

139 Special Message to the Congress Recommending Point 4 Legislation. *June* 24, 1949

To the Congress of the United States:

In order to enable the United States, in cooperation with other countries, to assist the peoples of economically under-developed areas to raise their standards of living, I recommend the enactment of legislation to authorize an expanded program of technical assistance for such areas, and an experimental program for encouraging the outflow of private investment beneficial to their economic development. These measures are the essential first steps in an undertaking which will call upon private enterprise and voluntary organizations in the United States, as well as the Government, to take part in a constantly growing effort to improve economic conditions in the less developed regions of the world.

The grinding poverty and the lack of economic opportunity for many millions of people in the economically under-developed parts of Africa, the Near and Far East, and certain regions of Central and South America, constitute one of the greatest challenges of the world today. In spite of their age-old economic and social handicaps, the peoples in these areas have in recent decades been stirred and awakened. The spread of industrial civilization, the growing understanding of modern concepts of government, and the impact of two world wars have changed their lives and their outlook. They are eager to play a greater part in the community of nations.

All these areas have a common problem. They must create a firm economic base for the democratic aspirations of their citizens. Without such an economic base, they will be unable to meet the expectations which the modern world has aroused in their peoples. If they are frustrated and disappointed, they may turn to false doctrines which hold that the way of progress lies through tyranny.

For the United States the great awakening of these peoples holds tremendous promise. It is not only a promise that new and stronger nations will be associated with us in the cause of human freedom, it is also a promise of new economic strength and growth for ourselves.

With many of the economically under-developed areas of the world, we have long had ties of trade and commerce. In many instances today we greatly need the products of their labor and their resources. If the productivity and the purchasing power of these countries are expanded, our own industry and agriculture will benefit. Our experience shows that the volume of our foreign trade is far greater with highly

developed countries than it is with countries having a low standard of living and inadequate industry. To increase the output and the national income of the less developed regions is to increase our own economic stability.

In addition, the development of these areas is of utmost importance to our efforts to restore the economies of the free European nations. As the economies of the under-developed areas expand, they will provide needed products for Europe and will offer a better market for European goods. Such expansion is an essential part of the growing system of world trade which is necessary for European recovery.

Furthermore, the development of these areas will strengthen the United Nations and the fabric of world peace. The preamble to the Charter of the United Nations states that the economic and social advancement of all people is an essential bulwark of peace. Under Article 56 of the Charter, we have promised to take separate action and to act jointly with other nations "to promote higher standards of living, full employment, and conditions of economic and social progress and development."

For these various reasons, assistance in the development of the economically underdeveloped areas has become one of the major elements of our foreign policy. In my inaugural address, I outlined a program to help the peoples of these areas to attain greater production as a way to prosperity and peace.

The major effort in such a program must be local in character; it must be made by the people of the under-developed areas themselves. It is essential, however, to the success of their effort that there be help from abroad. In some cases, the peoples of these areas will be unable to begin their part of this great enterprise without initial aid from other countries.

The aid that is needed falls roughly into two categories. The first is the technical, scientific and managerial knowledge necessary to economic development. This category includes not only medical and educational knowledge, and assistance and advice in such basic fields as sanitation, communications, road building and governmental services, but also, and perhaps most important, assistance in the survey of resources and in planning for long-range economic development.

The second category is production goods—machinery and equipment—and financial assistance in the creation of productive enterprises. The under-developed areas need capital for port and harbor development, roads and communications, irrigation and drainage projects, as well as for public utilities and the whole range of extractive, processing and manufacturing industries. Much of the capital required can be provided by these areas themselves, in spite of their low standards of living. But much must come from abroad.

The two categories of aid are closely related. Technical assistance is necessary to lay the groundwork for productive investment. Investment, in turn, brings with it technical assistance. In general, however, technical surveys of resources and of the possibilities of economic development must precede substantial capital investment. Furthermore, in many of the areas concerned, technical assistance in improving sanitation, communications or education is required to create conditions in which capital investment can be fruitful.

This country, in recent years, has conducted relatively modest programs of technical cooperation with other countries. In

the field of education, channels of exchange and communication have been opened between our citizens and those of other countries. To some extent, the expert assistance of a number of Federal agencies, such as the Public Health Service and the Department of Agriculture, has been made available to other countries. We have also participated in the activities of the United Nations, its specialized agencies, and other international organizations to disseminate useful techniques among nations.

Through these various activities, we have gained considerable experience in rendering technical assistance to other countries. What is needed now is to expand and integrate these activities and to concentrate them particularly on the economic development of underdeveloped areas.

Much of the aid that is needed can be provided most effectively through the United Nations. Shortly after my inaugural address, this government asked the Economic and Social Council of the United Nations to consider what the United Nations and the specialized international agencies could do in this program.

The Secretary General of the United Nations thereupon asked the United Nations secretariat and the secretariats of the specialized international agencies to draw up cooperative plans for technical assistance to under-developed areas. As a result, a survey was made of technical projects suitable for these agencies in such fields as industry, labor, agriculture, scientific research with respect to natural resources, and fiscal management. The total cost of the program submitted as a result of this survey was estimated to be about 35 million dollars for the first year. It is expected that the United Nations and the specialized international agencies will shortly adopt programs for carrying out projects of the type included in this survey.

In addition to our participation in this work of the United Nations, much of the technical assistance required can be provided directly by the United States to countries needing it. A careful examination of the existing information concerning the underdeveloped countries shows particular need for technicians and experts with United States training in plant and animal diseases, malaria and typhus control, water supply and sewer systems, metallurgy and mining, and nearly all phases of industry.

It has already been shown that experts in these fields can bring about tremendous improvements. For example, the health of the people of many foreign communities has been greatly improved by the work of United States sanitary engineers in setting up modern water supply systems. The food supply of many areas has been increased as the result of the advice of United States agricultural experts in the control of animal diseases and the improvement of crops. These are only examples of the wide range of benefits resulting from the careful application of modern techniques to local problems. The benefits which a comprehensive program of expert assistance will make possible can only be revealed by studies and surveys undertaken as a part of the program itself.

To inaugurate the program, I recommend a first year appropriation of not to exceed 45 million dollars. This includes 10 million dollars already requested in the 1950 Budget for activities of this character. The sum recommended will cover both our participation in the programs of the international agencies and the assistance to be provided directly by the United States.

In every case, whether the operation is

conducted through the United Nations, the other international agencies, or directly by the United States, the country receiving the benefit of the aid will be required to bear a substantial portion of the expense.

The activities necessary to carry out our program of technical aid will be diverse in character and will have to be performed by a number of different government agencies and private instrumentalities. It will be necessary to utilize not only the resources of international agencies and the United States Government, but also the facilities and the experience of the private business and non-profit organizations that have long been active in this work.

Since a number of Federal agencies will be involved in the program, I recommend that the administration of the program be vested in the President, with authority to delegate to the Secretary of State and to other government officers, as may be appropriate. With such administrative flexibility, it will be possible to modify the management of the program as it expands and to meet the practical problems that will arise in its administration in the future.

The second category of outside aid needed by the under-developed areas is the provision of capital for the creation of productive enterprises. The International Bank for Reconstruction and Development and the Export-Import Bank have provided some capital for under-developed areas, and, as the economic growth of these areas progresses, should be expected to provide a great deal more. In addition, private sources of funds must be encouraged to provide a major part of the capital required.

In view of the present troubled condition of the world—the distortion of world trade, the shortage of dollars, and other after-effects of the war—the problem of substantially increasing the flow of American capital abroad presents serious difficulties. In all probability novel devices will have to be employed if the investment from this country is to reach proportions sufficient to carry out the objectives of our program.

All countries concerned with the program should work together to bring about conditions favorable to the flow of private capital. To this end we are negotiating agreements with other countries to protect the American investor from unwarranted or discriminatory treatment under the laws of the country in which he makes his investment.

In negotiating such treaties we do not, of course, ask privileges for American capital greater than those granted to other investors in under-developed countries or greater than we ourselves grant in this country. We believe that American enterprise should not waste local resources, should provide adequate wages and working conditions for local labor, and should bear an equitable share of the burden of local taxes. At the same time, we believe that investors will send their capital abroad on an increasing scale only if they are given assurance against risk of loss through expropriation without compensation, unfair or discriminatory treatment, destruction through war or rebellion, or the inability to convert their earnings into dollars.

Although our investment treaties will be directed at mitigating such risks, they cannot eliminate them entirely. With the best will in the world a foreign country, particularly an under-developed country, may not be able to obtain the dollar exchange necessary for the prompt remittance of earnings on dollar capital. Damage or loss resulting from internal and international violence may be beyond the power of our treaty signatories to control.

Many of these conditions of instability in under-developed areas which deter foreign investment are themselves a consequence of the lack of economic development which only foreign investment can cure. Therefore, to wait until stable conditions are assured before encouraging the outflow of capital to under-developed areas would defer the attainment of our objectives indefinitely. It is necessary to take vigorous action now to break out of this vicious circle.

Since the development of under-developed economic areas is of major importance in our foreign policy, it is appropriate to use the resources of the government to accelerate private efforts toward that end. I recommend, therefore, that the Export-Import Bank be authorized to guarantee United States private capital, invested in productive enterprises abroad which contribute to economic development in under-developed areas, against the risks peculiar to those investments.

This guarantee activity will at the outset be largely experimental. Some investments may require only a guarantee against the danger of inconvertibility, others may need protection against the danger of expropriation and other dangers as well. It is impossible at this time to write a standard guarantee. The Bank will, of course, be able to require the payment of premiums for such protection, but there is no way now to determine what premium rates will be most appropriate in the long run. Only experience can provide answers to these questions.

The Bank has sufficient resources at the present time to begin the guarantee program and to carry on its lending activities as well without any increase in its authorized funds. If the demand for guarantees should prove large, and lending activities continue on the scale expected, it will be necessary to request the Congress at a later date to increase the authorized funds of the Bank.

The enactment of these two legislative proposals, the first pertaining to technical assistance and the second to the encouragement of foreign investment, will constitute a national endorsement of a program of major importance in our efforts for world peace and economic stability. Nevertheless, these measures are only the first steps. We are here embarking on a venture that extends far into the future. We are at the beginning of a rising curve of activity, private, governmental and international, that will continue for many years to come. It is all the more important, therefore, that we start promptly.

In the economically under-developed areas of the world today there are new creative energies. We look forward to the time when these countries will be stronger and more independent than they are now, and yet more closely bound to us and to other nations by ties of friendship and commerce, and by kindred ideals. On the other hand, unless we aid the newly awakened spirit in these peoples to find the course of fruitful development, they may fall under the control of those whose philosophy is hostile to human freedom, thereby prolonging the unsettled state of the world and postponing the achievement of permanent peace.

Before the peoples of these areas we hold out the promise of a better future through the democratic way of life. It is vital that we move quickly to bring the meaning of that promise home to them in their daily lives.

HARRY S. TRUMAN

NOTE: On June 5, 1950, the President approved the Foreign Economic Assistance Act of 1950 (64 Stat. 198).

140 Special Message to the Congress Recommending Further Reorganization of the Post Office Department. *June 24, 1949*

To the Congress of the United States:

No Federal activity touches more closely the daily lives of the people of this nation than the postal service. It is not without reason that for many of our citizens the post office has come to symbolize the Federal Government. The manner in which the Government manages this service, one of the world's largest businesses, is necessarily a matter of direct and vital concern to every person in the United States.

We may justly take pride in the achievements of the Post Office Department. No other country furnishes a better or more varied postal service, and many other countries have used our postal service as a model. The magnitude of its operations may be seen from the fact that the Department in one year transports and delivers more than 40 billion pieces of mail and handles more than 800 million transactions in such special services as money orders, collect-on-delivery mail, and postal savings. The Department has done its vast job well and the effectiveness of its operations is a tribute to the loyalty and "know-how" of its more than 500,000 officers and employees.

The achievements of the Department are all the more remarkable when it is considered that they have been accomplished despite a number of serious handicaps. Many of these handicaps are enumerated in the report of the Commission on Organization of the Executive Branch of the Government. Among the more important obstacles to the efficient administration of the Department noted by the Commission are (1) the maze of out-moded laws which stifle proper administration, (2) the lack of freedom and flexibility essential to the conduct of a business operation, and (3) methods of budgeting and accounting which are entirely unsuited to a business of the size and character of the postal service.

The budget and accounting procedures prescribed by law are particularly cumbersome. Currently, the postal service is operated under 58 separate appropriation items, each of which must be independently justified by the Department officials, reviewed and approved by the Congress, and apportioned for each quarter by the Bureau of the Budget. These individual appropriation items range in amount from $3,000 to over $600,000,000. Every dollar spent must be charged against a specific appropriation, and transfers from one account to another are permitted only within certain narrow limits. The procedures prevent the Department from operating any office as a fiscal unit with the result that the postal management, the President and the Congress are unable to obtain a complete and accurate picture of postal operations.

The Post Office Department obviously can control its annual expenditures only within broad limits. As in the case of any other business, its expenses, and also its income, will vary in proportion to the demand for its services. However, unlike a private business, the Department cannot refuse to serve its customers. Consequently, attempts to place rigid and detailed limitations on specific activities constitutes a positive hindrance to sound management and efficient service to the public.

The Commission on Organization of the Executive Branch of the Government indicated that there are four principal objectives toward which improvements in the operations of the postal service should be directed. These are:

1. Accounting, budgeting and auditing procedures designed to improve management's control of the business.

2. Flexibility of expenditures to meet fluctuating demands for postal service and varying conditions of operation on a nationwide scale.

3. Reasonable freedom from restrictive laws and regulations governing contracts, purchases, and personnel practices.

4. Administrative authority commensurate with responsibility.

I am in wholehearted agreement with the objectives set forth by the Commission.

Several steps are essential if we are to accomplish the above goals. I recommend as one of the first steps that legislation be enacted by the Congress to place the Post Office Department under the Government Corporation Control Act of 1945 so that it will have the benefit of the business-type budget, audit and accounting procedures prescribed by that Act. These procedures were specifically devised by the Congress to provide more satisfactory control over Federal activities of a predominantly business nature. This action will strengthen greatly the accountability of the Department to the President and the Congress. This type of budget and audit arrangements will make available to the President and the Congress for the first time the kind of information which is required to appraise accurately the effectiveness of the postal service and to establish adequate controls over its operations.

It will not be sufficient, however, merely to extend the provisions of the Government Corporation Control Act to the Department. As a corollary, the legislation should give to the Department the same degree of financial and operating flexibility as is now possessed by most Federal business enterprises. Such legislation is essential if the postal service is to be conducted on a businesslike basis. It is an axiom of sound administration that authority should be commensurate with responsibility. No authority of management is more important than that of selecting the personnel who are to operate the business. If the Postmaster General is to be held responsible for the efficient conduct of the postal service, he should be given full authority to appoint postmasters and other postal employees subject only to the provisions of the Civil Service and Classification Acts. Legislation should be enacted which will give such authority to the Postmaster General.

In order to strengthen further the management of the Post Office Department, I have transmitted a reorganization plan to the Congress. This plan gives to the Postmaster General essential authority to organize and control his Department by transferring to him the functions of all subordinate officers and agencies of the Department. It also provides for the establishment of the position of Deputy Postmaster General, and an Advisory Board for the Post Office Department. These measures are essential to furnish the Postmaster General with much needed assistance and to make available to him the advice of outstanding private citizens.

Legislation is now before the Congress which would authorize the Postmaster General to establish a research and development program. The investigations and studies under this program would be for the purpose of improving and introducing new equipment, methods, and procedures in the postal service in order that the business of the Post Office Department may be more efficiently and economically handled. Such a research and development program will contribute significantly to the improved operation of the postal service. I urge that the

Congress act favorably upon this legislation.

The postal deficit for the fiscal year 1950, on the basis of current postal rates, would be more than 400 million dollars. This deficit results primarily from the volume of postal business which is carried below cost. If the postal service is to be conducted on a businesslike basis, it is essential that the postal rates be brought in line with the increased costs of postal operations. I again strongly urge, as I have in previous messages during the past two years, that the Congress enact an adequate revision of the postal rate structure.

I believe that Reorganization Plan No. 3 of 1949, submitted earlier this week, together with legislation along the lines herein recommended, will enable the Government better to make substantial improvements in the existing organization and operations of the Post Office Department.

HARRY S. TRUMAN

NOTE: On August 16, 1949, the President approved a bill "to provide for a research and development program in the Post Office Department" (63 Stat. 608).

On August 17, 1950, the President approved the Post Office Department Financial Control Act of 1950 (64 Stat. 460).

For the President's special message to the Congress upon signing the Reorganization Act, see Item 127. For the President's message to the Congress transmitting Reorganization Plan 3 of 1949: Post Office Department, see Item 130.

141 Statement by the President Upon Signing the Virgin Islands Corporation Act. *June* 30, 1949

I HAVE today signed H.R. 2989, an act to incorporate the Virgin Islands Corporation.

The principal objective of the new corporation will be to bring about the utmost possible development of the economic resources of the Virgin Islands and thus enable the people of the islands to attain a standard of living more nearly commensurate with that prevailing in the continental United States. In order to achieve this objective, the Corporation is authorized to undertake an improved land utilization program, promote the tourist trade, and to engage in various other undertakings. In particular, it is directed to encourage private capital to enter into industrial, agricultural, commercial, and related enterprises in the Virgin Islands. To this end, the Corporation is authorized to make loans to any person for the establishment and development of such enterprises, whenever loans are not available from private sources. All loans by the Corporation must be so secured as reasonably to insure repayment, and the total amount of loans outstanding at any one time cannot exceed $5 million.

I am gratified by the action of the Congress in providing a Federal charter for the Virgin Islands Corporation. The action carries out the recommendation which I made to the 80th Congress and again to the present Congress, that the Congress enact comprehensive, long-range legislation for the economic development of the Virgin Islands.

I am confident that the Virgin Islands Corporation under its new charter will make a significant contribution toward making the islands economically self-sustaining, and raising the standard of living of its inhabitants.

NOTE: As enacted, H.R. 2989 is Public Law 149 (63 Stat. 350).

142 Special Message to the Congress Transmitting Report on Highway Needs. *June* 30, 1949

To the Congress of the United States:

I transmit herewith a letter from the Administrator of the Federal Works Agency, enclosing a report on Highway Needs of the National Defense.

The report was prepared at the request of the Congress by the Commissioner of Public Roads in cooperation with the several State highway departments. In compliance with the request, the Secretary of Defense and the National Security Resources Board were invited to cooperate and have responded with suggestion of the indicated or potential needs for improved highways for the national defense. An expression of the views of the National Military Establishment, which has the concurrence of each of the military departments and agencies, is appended.

The larger part of the report presents information in detail concerning the condition of the highways of the country and their fitness to meet defense and civil needs, with particular reference to the National System of Interstate Highways. There is indication also of certain measures intended to permit the taking of prompt highway improvement action in the event of a national emergency.

This report is a useful document. I recommend it to the consideration of the Congress in connection with such further provision as may be made for the continuance of Federal aid for highway construction.

HARRY S. TRUMAN

NOTE: The report and the Administrator's letter are printed in House Document 249 (81st Cong., 1st sess.).

143 Letter to Jess Larson on the Signing of the Federal Property and Administrative Services Act of 1949. *June* 30, 1949

My dear Mr. Larson:

I have today signed H.R. 4754 which was passed by the Congress "To simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes." Pursuant to the authority of the new Act, I hereby designate you to perform temporarily, pending the appointment of the first Administrator of General Services, the functions of that officer, with the title of "Acting Administrator of General Services."

The Federal Property and Administrative Services Act of 1949 consolidates functions which until now have been carried out piecemeal under some 38 overlapping statutes dating back to 1870. A better system of property and records management has been needed by the Federal Government for many years.

An important responsibility is vested in the Administrator of General Services to achieve effective and economical results in the property management field and to insure that the General Services Administration affords the operating agencies the type of service requisite for the successful conduct of their programs.

The Act requires that a fair proportion of all procurement shall be placed with small business concerns. It also states that all purchases and contracts for supplies and serv-

ices shall be made by advertising, except under circumstances specified in the Act where exceptions to this general policy may be made.

The Act also grants civilian agencies unprecedented freedom from specific procurement restrictions during peacetime. That freedom is given to permit the flexibility and latitude needed in present day activities. The basic need, however, remains to assure favorable price and adequate service to the Government. To the degree that restrictions have been diminished, therefore, responsibility upon the General Services Administration has been increased.

There is always the danger that the natural desire for flexibility and speed in procurement may lead to excessive placement of contracts by negotiations and undue reliance upon large concerns. This must not occur.

I am therefore asking you to undertake a study looking toward the issuance of detailed standards to guide procurement officers in carrying out the intent of this law to insure a fair and substantial proportion of contract placement with small business establishments. I am relying upon your discretion to delegate the authority to negotiate contracts so that it will be used sparingly and with care, and so that it may be promptly withdrawn when necessary.

In order to make this policy uniform in the Federal Government, I am asking you to make an annual report which will show, as of the end of each fiscal year, the total value and the proportion in each agency of contracts under individual exceptions to competitive bidding the total value and the proportion in each agency of contracts placed with small business concerns, and any other pertinent information.

I have heretofore required the three departments of the National Military Establishment, and the Coast Guard and the National Advisory Committee for Aeronautics, to make similar reports under Public Law 413, 80th Congress. In the interest of uniformity, the General Services Administration should utilize the definition of small business which those agencies are currently using.

Sincerely yours,

HARRY S. TRUMAN

[Honorable Jess Larson, Administrator, Federal Works Agency, Washington 25, D.C.]

NOTE: As enacted, H.R. 4754 is Public Law 152 (63 Stat. 377).

Portions of the President's letter to Mr. Larson were released June 30 in a White House statement on the signing of the Federal Property and Administrative Services Act of 1949. The statement pointed out that the new General Services Administration would carry out the functions of the Federal Works Agency, including the Public Buildings Administration, the Bureau of Community Facilities, and the Public Roads Administration; the Bureau of Federal Supply and the Office of Contract Settlement, which had been in the Department of the Treasury; the War Assets Administration; and the National Archives Establishment.

"The Federal Property and Administrative Services Act of 1949," the statement continued, "is important to the efficient management of the Government's business. It represents favorable action in a major area of Government reorganization as recommended by the President to the Congress and as proposed by the Commission on Organization of the Executive Branch of the Government.

"Through special messages and the submission of reorganization plans, the President has placed a number of reorganization proposals before the Congress at this session. Four of these represent major areas in which the Commission on Organization found that the greatest possibility existed for improving the efficiency and economy of governmental operations. These four areas are:

"1. The procurement and supply activities of the Government, on which the President today acted by signing the Federal Property and Administrative Services Act.

"2. The organization of the National Military Establishment, on which the Senate has acted and the House is now considering its action.

"3. The reorganization and adoption of business practices in the Post Office—Reorganization Plan No. 3 and the President's special message of June 24, 1949, deal with this matter.

"4. The Personnel operations of the Government. The first step in this area is embodied in the reorga-

nization of the Civil Service Commission proposed in Reorganization Plan No. 5 of 1949.

"Taken together, these four areas represent the principal opportunities indicated by the Commission on Organization for substantially increasing the efficiency and economy of governmental operations."

For the President's letter of July 2, 1949, to agency heads on implementation of the Federal Property and Administrative Services Act of 1949, see Item 145.

144 The President's News Conference of *June* 30, 1949

THE PRESIDENT. I have no special announcements to make, so fire away with your questions when you are ready.

[1.] Q. Mr. President, Mr. Baruch said yesterday that he thinks the overall plan for industrial mobilization in the event of war should go to Congress now.[1] What do you think of that?

THE PRESIDENT. I have no comment to make on it.

Q. What about the statement that neglect and vacillation is the reason for the present situation?

THE PRESIDENT. I have no comment to make on it.

Q. Mr. President, did you ever reject any mobilization plan?

THE PRESIDENT. No.

Q. Did you ever receive any mobilization report, Mr. President?

THE PRESIDENT. No.

Q. Do you consider that the administration is taking a needless gamble with the national security?

THE PRESIDENT. No comment. There is no need to prolong the conversation at all. Mr. Baruch was misinformed, that's all there is to it. The thing was amply answered by Charlie Ross.[2]

[2.] Q. Mr. President, do you hope for Senate decision on the displaced persons bill this session?

THE PRESIDENT. I didn't catch the question?

Q. Do you hope for Senate decision on the D.P. bill?

THE PRESIDENT. I do hope for it, yes. That's what I was talking to Senator McGrath about yesterday.

Q. Was he able to give you any assurance——

THE PRESIDENT. He assured me that there would be a bill reported to the Senate.

[3.] Q. Mr. President, have you decided on the SEC appointment yet?

THE PRESIDENT. No. I will make the announcement.

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[1] On June 28 in an address at commencement exercises commemorating the 25th anniversary of the formation of the Industrial College of the Armed Forces in Washington, D.C., Bernard M. Baruch charged that the plans for the Nation's mobilization were being obstructed.

The full text of the address is published in the Appendix to the Congressional Record (vol. 95, p. A4134). Further statements by Mr. Baruch, made on October 3, concerning the need for a mobilization plan are published in the Appendix to the Congressional Record (vol. 95, p. A6025).

[2] On June 29, Charles Ross, Secretary to the President, speaking as an unidentified White House source, stated that Mr. Baruch was "pretty badly informed" in his charge that President Truman had stopped an industrial mobilization plan prepared by the National Security Resources Board.

Mr. Ross stated that in the first place no such plan as described by Mr. Baruch had ever been presented to the Board. So the President, in turn, he said, could not have rejected a plan submitted to him by the Board.

Mr. Ross told the press that it would be shocking to think that the Government was doing no industrial mobilization planning as Mr. Baruch asserted, and stated that planning continued constantly. "Any Government would be derelict in its duty if it did not plan against eventualities," he added.

[4.] Q. Mr. President, would you sign the labor bill as the Senate passed it this afternoon?

THE PRESIDENT. I will answer that question when the bill comes before me. I can't answer now.

Q. Mr. President, do you think the Senate's action on this bill will help or hurt you in trying to defeat Taft?

THE PRESIDENT. Well, I have never undertaken to defeat Taft, so you have got your question based on a wrong premise. But the labor bill as it appears before me will be analyzed and either signed or vetoed, and I will attend to that when it comes up here.

Q. Mr. President, do you agree with certain labor leaders who have said that they think the fight to repeal the Taft-Hartley Act at this session is now lost?

THE PRESIDENT. No, I don't agree with them. The fight is going to continue just as hard as I can make it, to carry out the Democratic platform.

Q. Mr. President, does the effort to defeat Taft have your blessing?

THE PRESIDENT. I do not want to answer questions like that.

Q. How about the Democrats that are helping Taft, how do you feel about them?

THE PRESIDENT. I have no comment to make.

[5.] Q. Mr. President, the Government owns and operates the General Aniline Corporation, and they have fired a lot of people lately from the company's plant at Binghamton, N.Y.—fired around 3,000 people lately, some of whom have been with the company 15 or 20 years. People are very disturbed, and they wonder whether the administration can do anything about that?

THE PRESIDENT. I know nothing about it. That is completely outside my purview.

Q. The Alien Property Custodian——

THE PRESIDENT. I know how it's operated, but it isn't under my direction, and I have no comment to make.

[6.] Q. Mr. President, the New York Herald Tribune has published stories recently about 5 percenters who claim to be able to sell influence to get people Government contracts. Secretary Johnson and some other people have denounced them. Would you care to make any comment?

THE PRESIDENT. I have always made it perfectly clear that a businessman doesn't have to hire a go-between to get Government contracts. That has always been my stand. I made that perfectly clear, when I was running that Senate thing, to everybody who talked to me about it.

[7.] Q. Mr. President, on the situation in Hawaii, Senator Butler, as chairman of the subcommittee, brought out a report that communism has a firm grip out there and statehood is out of the question. Does your information support that conclusion?

THE PRESIDENT. No, it does not.

[8.] Q. Mr. President, there is a report that you might campaign in New York State this fall, in connection with the special Senate election?

THE PRESIDENT. Entirely without foundation in fact.

[9.] Q. Mr. President, can you inform us whether President Quirino of the Philippines is expected here for a visit in the next few months?

THE PRESIDENT. Not that I know of.

Q. Not that you know of.

THE PRESIDENT. Unless he decides to come, and if the announcement is officially made. He is in the Philippines, not here. I know nothing about his intention.

[10.] Q. Mr. President, were you sur-

prised at Mr. James Byrnes's attack on your domestic program at Washington and Lee University? [3]

THE PRESIDENT. No comment.

Q. Do you think there is any connection between his attack and Mr. Baruch's?

THE PRESIDENT. Draw your own conclusions.

Q. What was that question, Mr. President?

THE PRESIDENT. He wanted to know if there was any connection between Byrnes's attack and Baruch's. I said I thought he could draw his own conclusions.

[11.] Q. Do you approve the method of the 5 and 10 economy resolution? [4]

THE PRESIDENT. I can answer that question very well as I did the other day. Remember the cartoon that was in the Washington Star last night, with the dear old Congress hitting itself on the head with a hammer and asking me please to have him stop that? [*Laughter*] That cartoon answers that.

[12.] Q. Mr. President, do you favor the Barden bill on aid to education?

THE PRESIDENT. I don't know what the Barden bill is. I am after a bill on aid to education, and I am not writing the bill.

Q. Mr. President, would you mind telling us if you discussed that with Mr. Barden yesterday?

THE PRESIDENT. I discussed aid to education with Mr. Barden and I urged him to get a bill out so that the House could vote on it. That is as far as the conversation went.

[13.] Q. Mr. President, do you expect the United States will agree to the Mexican request for aid in oil development?

THE PRESIDENT. I can't answer that question now. It is under consideration.

[14.] Q. Mr. President, do you have any comment, sir, on the swimming pool disturbances in Anacostia? [5]

THE PRESIDENT. No comment.

[15.] Q. Mr. President, do you have any comment on the move on the Hill to cut excise taxes?

THE PRESIDENT. No comment. I don't know anything about it.

Q. The Senate Finance Committee voted 7 to 6 today to cut back the excise taxes to 1942 levels. Have you any——

THE PRESIDENT. I don't know anything about it.

[16.] Q. Mr. President, there are a very complex series of negotiations going on in London these days on conditions of trade between the countries involved in the Marshall plan. Last week Mr. Hoffman said that the whole Marshall plan was in peril over failure to restore conditions of trade.[6] I wonder whether you had any——

THE PRESIDENT. No, I can't comment on it.

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[3] On June 18, 1949, former Secretary of State James F. Byrnes was the principal speaker at exercises ending the university's year-long observance of its 200th anniversary. In his address Mr. Byrnes stated that some of the suggested new Federal programs "point inevitably to a welfare state."

He declared, "We are going down the road to statism. Where we will wind up no one can tell. But if some of the new programs seriously proposed should be adopted, there is danger that the individual—whether farmer, worker, manufacturer, lawyer, or doctor—will soon be an economic slave pulling an oar in the galley of the state."

The full text of the address is published in the Congressional Record (vol. 95, p. 7904).

[4] In May and June 1949 several resolutions were introduced in Congress proposing that the President be directed to reduce appropriations 5 to 10 percent after they had been approved by the Congress.

[5] An incident involving interracial disturbances at a municipal swimming pool in Washington.

[6] On June 24 Paul G. Hoffman, Economic Cooperation Administrator, testified before the Senate Appropriations Committee. In his testimony in support of a $4 billion appropriation for the ECA in fiscal year 1950, Mr. Hoffman said that unless the United States increased its purchases from Marshall plan countries, their dollar earnings would be inadequate for a self-sustaining economy. He placed the minimum increase needed at $1,500 million a year.

[17.] Q. Have you any report from the Treasury about the prospective size of the deficit this year?

THE PRESIDENT. No. No official report.

Q. Any unofficial report?

THE PRESIDENT. I can't give it to you. I don't give out unofficial reports.

Q. Can you give us a guess? [*Laughter*]

THE PRESIDENT. No, I can't give you a guess.

Q. Mr. President, do you think it will be sufficient for a new tax bill, Mr. President?

THE PRESIDENT. I would advise you to read the veto messages that—to the tax bill—I wrote three of them. If you will read any one of those through thoroughly, you will find out just exactly what I think on the subject.

[18.] Q. Mr. President, can you say if you have been asked to speak for the Democratic candidate for Governor of New Jersey this fall?

THE PRESIDENT. I have not.

[19.] Q. Mr. President, when Senator Chavez called on you, did you discuss the future course of CVA [7] legislation in the Senate?

THE PRESIDENT. No. That wasn't even mentioned.

[20.] Q. Mr. President, does the strike in Hawaii modify your views regarding your recommendation for Hawaiian statehood?

THE PRESIDENT. Not at all. Not at all. The Governor of Hawaii and the Secretary of the Interior were in to see me this morning, and the factfinding commission has made a report on the strike situation in Hawaii, and I sincerely hope that that recommendation will be adopted and that the strike will cease. If they have been laboring under a delusion that maybe the President might take a hand in that situation, under present conditions the President has no power to take a hand in it at all.

[21.] Q. Mr. President, has Mr. Carpenter been asked to head the National Securities Resources Board?

THE PRESIDENT. What's that?

Q. Mr. Carpenter—who used to be——

THE PRESIDENT. No, he hasn't. When I get ready to make the announcement, I will tell you flatly who it is going to be. You won't have to guess.

[22.] Q. Did you and Senator Chavez discuss United States-Argentine trade?

THE PRESIDENT. We did not.

[23.] Q. Mr. President, I believe you met with your Economic Advisers today. Did they give you any better picture as to whether we are now in a business recession?

THE PRESIDENT. When I get ready to issue that—that report on that conclusion will be answered. I can't answer it now.

Q. Mr. President——

[24.] Q. Mr. President, do you have any comment on the Anglo-Argentine bilateral trade agreement? [8]

THE PRESIDENT. No comment.

What was that question you tried to ask? We got interrupted.

[25.] Q. They were coming too fast for me. [*Laughter*] I was just wondering on this Finance Committee action to cut back excise taxes, that is certainly not in line with your program, is it?

THE PRESIDENT. I can't comment on that, because I don't know anything about what it is.

Q. Mr. President, would you favor or oppose a cut?

THE PRESIDENT. I will answer that question

[7] Columbia Valley Administration.

[8] A statement by the Department of State commenting on the provisions of the Argentine-United Kingdom trade and payments agreement is printed in the Department of State Bulletin (vol. 21, p. 37). It was released to the press on June 27.

when it comes to me. I can't answer now.

[26.] Q. Mr. President, on William Green again. He also said that the Democrats who voted for the Taft-Hartley bill are enemies of labor.[9] Do you agree with that?

THE PRESIDENT. I don't want to speak for Mr. Green. I think he spoke very plainly for himself. I am making no comment on it.

[27.] Q. Mr. President, Senator George said yesterday he thought you should tell the country that an increase in taxes would be unwise. Any comment?

THE PRESIDENT. Say that again. I didn't get it.

Q. Another tax bill—an increase in taxes now would be unwise.

THE PRESIDENT. I don't think Senator George has ever been for sufficient taxes to run the Government, so that is not unusual.

[28.] Q. Mr. President, the Minister of Economy for Chile saw you a few days ago and he said that he left with you a plan that would help you in your discussions on lower copper prices. Have you had a chance to study that document?

THE PRESIDENT. Yes, I have read it, but there is no comment.

[29.] Q. Mr. President, Senator Vandenberg and Mr. John Foster Dulles have recently complained that in respect to China the administration is not following a bipartisan foreign policy. Do you draw any distinction between China and anywhere else?

THE PRESIDENT. I do not. I certainly do not.

[30.] Q. Mr. President, will you have some appointments to make on the War Claims Commission soon?

THE PRESIDENT. Yes, I hope so.

Q. Do you know when?

THE PRESIDENT. I will announce them as soon as they are ready.

[31.] Q. Mr. President, when we came in you said that you were prepared to answer a question, and it's in the thing on your desk there. Have we asked it yet? [*Laughter*]

THE PRESIDENT. No, you haven't, so I will answer it for you without your asking it. [*More laughter*] It's about the sesquicentennial that—the Commission or whatever is the proper name for it. They had a meeting with me back—Sesquicentennial Commission—on the 28th they had a meeting back in the Cabinet room, and I urged them to go ahead and try to put this sesquicentennial on, in spite of the fact that the House had turned down the appropriation. And it was suggested that they might obtain a loan on their possible income from the Reconstruction Finance Corporation, but that requires permissive legislation from the Congress. But I hope they will go ahead with the program. I think it is a fine thing.[10]

Q. Mr. President, did you suggest that they ask the RFC for a loan?

THE PRESIDENT. I have suggested that they ask Congress for permission to ask the RFC for a loan.

Reporter: Well, thank you, Mr. President.

THE PRESIDENT. That's all right.

NOTE: President Truman's one hundred and eighty-seventh news conference was held in his office at the White House at 4 p.m. on Thursday, June 30, 1949.

[9] On June 29 William Green, president of the American Federation of Labor, issued a public statement in which he said, "The Dixiecrats who voted against labor yesterday and thereby repudiated the Democratic Party's platform pledges and repudiated the campaign pledges of the Democratic Party's leader, President Truman, must be regarded as outright enemies of labor." A letter, dated June 29, from Mr. Green to Scott W. Lucas, Senate majority leader, regarding the situation is printed in the Congressional Record (vol. 95, p. 8578).

[10] See Item 79.

145 Letter to Agency Heads on Implementation of the Federal Property and Administrative Services Act of 1949. *July 2, 1949*

[Released July 2, 1949. Dated July 1, 1949]

To all Executive Agencies:

By virtue of the authority vested in me by section 205(a) of the Act entitled "An Act to simplify the procurement, utilization and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes," approved June 30, 1949 (the Federal Property and Administrative Services Act of 1949) it is hereby directed that:

1. In cooperation with other interested agencies, the Administrator of General Services shall institute studies and surveys to determine the extent to which existing policies, procedures and directives heretofore promulgated and remaining in force under section 501 of the Act, should be modified or revoked in the interest of promoting greater economy and efficiency in accomplishing the purposes of this Act. Careful attention shall be given to determining the degree of centralization in the General Services Administration to be attained in the performance of the functions involved. When these studies and surveys have been completed and after consulting with the interested agencies, the Administrator shall prescribe such regulations as may be necessary to implement the determinations resulting from such studies and surveys.

2. After consultation with the Bureau of the Budget and other Executive agencies, and also with the General Accounting Office in respect of such matters as may be appropriate, including matters affecting its functions under sections 205(b) and 206(c) of the Act, and at the earliest possible date, the Administrator of General Services shall establish such standards, prescribe such regulations, and prepare and issue such manuals and procedures as may be necessary to guide all Executive agencies in ascertaining whether their operations in the field of property and records management are efficient and economical as well as consistent with established Government policies.

3. In accordance with directives to be issued by the Administrator of General Services, each Executive agency shall promptly institute surveys to determine excess personal property and that portion of excess real property, including unimproved property, under their control which might be suitable for office, storage, and related facilities, and shall promptly report to the Administrator as soon as each survey is completed.

4. Each Executive agency shall carefully plan and schedule its requirements for supplies, equipment, materials and all other personal property in order that necessary stocks may be maintained at minimum levels and high-cost small-lot purchasing avoided.

5. Under section 201(c) of the Act, Executive agencies are permitted to apply exchange allowances and proceeds of sale in payment of property acquired. The Administrator shall promptly prescribe regulations specifying the extent to which Executive agencies may exercise this authority, and pending the issuance of such regulations, no Executive agency shall exercise this authority except to the extent permitted by, and in accordance with the provisions of, statutes in force prior to the taking effect of this Act.

6. Section 502(d) of the Act provides that certain programs and functions now being

carried on by various Executive agencies shall not be impaired or affected by the provisions of the Act. However, the attention of these agencies is called specifically to the purposes of this legislation and they shall, insofar as practicable, procure, utilize and dispose of property in accordance with the provisions of the Act and the regulations issued thereunder in order that the greatest overall efficiency and economy may be effected. These same agencies shall also cooperate with the Administrator of General Services in the making of surveys of property and property management practices and in the establishment of inventory levels as provided in section 206(a) (1) and (2) of the Act.

HARRY S. TRUMAN

NOTE: On the same day, July 1, the President sent the following memorandum to the Director, Bureau of the Budget, the Secretary of Defense, and the Administrator of General Services:

"By virtue of the authority vested in me by section 205(a) of the Act entitled 'An Act to simplify the procurement, utilization and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes,' approved June 30, 1949 (the Federal Property and Administrative Services Act of 1949) it is hereby directed that:

"1. Pending determinations made in the course of the studies hereinafter directed to be instituted, the several departments and agencies constituting the National Military Establishment shall continue to procure through the Administrator of General Services such supplies, materials, equipment and other personal property, and have performed by the Administrator such related functions of the types specified in section 201(a)(1) of the Federal Property and Administrative Services Act of 1949 as were customarily procured or performed for the departments and agencies of the National Military Establishment by the Bureau of Federal Supply prior to the taking effect of said Act. Until further order of the President, the Secretary of Defense shall not, without the prior approval of the President, issue any order or directive exempting the National Military Establishment in accordance with the proviso in section 201(a) of the Federal Property and Administrative Services Act of 1949, from action taken or to be taken by the Administrator of General Services under said section.

"2. The Administrator of General Services, the Secretary of Defense, and the Director of the Bureau of the Budget (1) shall forthwith undertake, and diligently pursue, studies aimed at developing areas of understanding with respect to the extent to which the National Military Establishment should be exempt from the jurisdiction of the Administrator under section 201 and 206 of the Federal Property and Administrative Services Act of 1949, and (2) shall present any appropriate recommendations to the President."

A progress report covering areas of understanding between the Department of Defense and the General Services Administration was transmitted to the President by the Director, Bureau of the Budget, on July 30, 1951.

President Truman's memorandum of July 1, 1949, was revoked by President Eisenhower on June 8, 1954.

146 Veto of Bill for the Relief of the City of Reno, Nevada. *July 5, 1949*

To the United States Senate:

I return herewith, without my approval, S. 41 "An Act for the relief of the City of Reno, Nevada."

This bill would authorize the payment to the City of Reno of $1,620, representing the amount which would have been assessable for street improvements against property owned by the United States and used by the Forest Service in this city, if the property had been privately owned.

Under the doctrine of intergovernmental tax immunity, Federally owned real property is exempt from State and local taxes, including special assessments, unless the Federal Government has specifically authorized taxation. The Congress has authorized payments of taxes, or payments in lieu of

taxes, in a few instances, such as real property held by Federal lending agencies, the Reconstruction Finance Corporation, and public housing projects. There has not been adopted, however, any comprehensive over-all program for payments on account of Federally owned property.

The lack of such a program has resulted in numerous cases of hardship in particular communities. The problem presented in the case of Reno is not limited to any one locality. Federal buildings have been constructed in a great many cities and towns and in many more the Federal Government has acquired property for use in its programs. Following the doctrine of immunity of the sovereign to taxation, the Public Buildings Administration in administering its construction programs has not shared the cost of improvements either when constructing buildings or when benefiting, as in the instant case, from locally authorized repaving work. Federal responsibility has stopped at the property line.

The desirability of adopting general legislation designed to provide a comprehensive program for payments on account of Federally owned property has heretofore been indicated to the Congress. On May 26, 1943, there were presented to it the recommendations of the Federal Real Estate Board, which, after extensive study of this problem, proposed specific measures to meet the situation. In addition, general legislation is now pending dealing with the over-all aspects of this problem, including proposed provisions for payment of special assessments with respect to some Federal properties.

Were I to approve S. 41, the precedent established would give rise to innumerable petitions for similar special relief of many other communities affected by the location therein of Federal real estate. Any legislation providing relief should be of general application, should not be retroactive in its coverage, and should deal with the problem on a comprehensive basis.

HARRY S. TRUMAN

147 Statement by the President on Government Printing and Binding. *July* 5, 1949

I HAVE today signed H.R. 4878, "To authorize certain Government printing, binding, and blank-book work elsewhere than at the Government Printing Office if approved by the Joint Committee on Printing." In giving my approval to this measure, I wish to call attention to my belief that many of the present laws pertaining to public printing are obsolete and impose unduly cumbersome requirements upon both the Joint Committee on Printing of the Congress and the agencies of the executive branch.

The act of January 12, 1895, as amended, established the Joint Committee on Printing and gave it power "to adopt and employ such measures as in its discretion may be deemed necessary to remedy any neglect, delay, duplication or waste in the public printing and binding and the distribution of Government publications." The act also requires that "all printing, binding and blank-book work for the Congress, Executive Office, Judiciary, and every Executive Department, independent office, and establishment of the Government shall be done at the Government Printing Office, except such classes of work as shall be deemed by the Joint Com-

mittee on Printing to be urgent or necessary to have done elsewhere than in the District of Columbia for the exclusive use of any field service outside of said District." Under these authorities, enacted over 50 years ago, and before the development of modern substitutes for printing, the Joint Committee on Printing now is required to exercise duties which, if carried out to the letter of the law, would be very onerous and would represent an invasion of the rights of the executive branch by a legislative committee. Only close collaboration and the adoption of broad exemptions have kept the system workable.

It is proper for the Congress to exercise its constitutional powers by defining areas within which printing and binding for the executive branch may be carried on, but restrictions imposed by the Congress should be left to the executive agencies to administer.

Although the original act has always represented an undesirable mixing of congressional and Executive responsibilities, the difficulties of operation under Joint Committee control were not serious so long as "printing and binding" referred only to processes involving the use of printing presses. Now, however, regulations issued by the Joint Committee on Printing, in July 1948, bring the product of most duplicating equipment within the definition of printing and binding. While this extension of definition recognizes the use of duplicating equipment for production of printing, it also magnifies difficulties of operation that have always been implicit.

It would seem to me inappropriate by Executive disapproval of H.R. 4878 to repudiate action of the Joint Committee to carry out responsibilities vested in it by law. Therefore, I am approving the present bill in order to insure that transaction of the Government's printing and duplicating business during the current fiscal year may proceed with as little confusion as possible. However, I believe that we can attain a better system for the administration of printing and binding.

Such a system should not involve a requirement that a committee of Congress administer Executive functions. It should provide a means for the executive branch to carry on its printing in accordance with any policies that the Congress may wish to enact into law. Accordingly, I have requested the Acting Administrator of General Services to review all statutory authorities pertaining to printing and binding for the executive branch of the Government and to present to me, prior to January 1, 1950, recommendations designed to accomplish three purposes: (1) to bring up to date our printing statutes, (2) to provide a basis for maintaining the proper respective roles of the executive and the legislative branches, and (3) to establish appropriate definitions for various classes of printed and duplicated materials. I have further requested the Administrator to consult with and to seek the cooperation of the Public Printer and the Joint Committee on Printing, insofar as they may wish to participate in this study. It is my expectation to present the report and recommendations for legislation to the second session of the 81st Congress.

NOTE: As enacted, H.R. 4878 is Public Law 156 (63 Stat. 405).

148 The President's News Conference of *July 7, 1949*

THE PRESIDENT. I have no special announcements to make this morning, ladies and gentlemen, but I will try to answer questions.

[1.] Q. Mr. President, Senator Vandenberg, in speaking about the Atlantic Pact in the Senate yesterday, expressed a desire that you lead a new crusade for world peace and, after the conclusion of the pact in the Senate, address a new message of peace to the world and reassure them of our peaceful intentions. Do you have any such thing under consideration?

THE PRESIDENT. Well, since April 12, 1945, I have been making a crusade—a continuing crusade—for peace, and I don't think there ever has been an opportunity that I didn't use that subject as one to talk about. If you will study all the speeches and messages that I have written to Congress, and the speeches that I have made outside on the world situation, you will find that that is the keynote of every one of them. I am going to keep it up.

Q. Then you may very well do it again, after the pact——

THE PRESIDENT. I say I expect to keep it up just on the same line that I have spoken of it all the time ever since April 12, 1945.

Q. Mr. President, I think what he had in mind was to emphasize the disarmament aspects of the Vandenberg resolution and the strengthening of the United Nations?

THE PRESIDENT. The disarmament program is before the United Nations, and when the atomic energy part of that disarmament pact is agreed to by all the nations, then we can talk about disarmament, but not before.

Q. Mr. President, the talk of your doing something about peace seems to imply a feeling that we aren't heading toward peace. Is it your thought that the world is moving toward peace?

THE PRESIDENT. Oh yes, it is moving gradually—slowly and gradually toward world peace, and we will eventually get it. I have said that all the time.

[2.] Q. Mr. President, have you any comment, sir, on the plan of Senators Humphrey, Murray, and Sparkman to create a $15 billion public works fund against unemployment and so on?

THE PRESIDENT. That question will be answered in my Economic Message which will go down to the Congress about the first of the week.[1]

[3.] Q. Mr. President, do you have any thought as to who should replace Senator Wagner?

THE PRESIDENT. No, no. That is not my business. That is the business of the great State of New York.

[4.] Q. Mr. President, some opponents of the Tydings bill to amend the National Security Act take the position that it would make the Secretary of Defense a potential dictator of the country. Do you care to express an opinion as to the validity of that?

THE PRESIDENT. I think it is a perfectly absurd opinion. As long as the Constitution makes the President of the United States the Commander in Chief of the Armed Forces, I don't think anybody else can take him over very well.

[5.] Q. Mr. President, can you tell us what plans the administration has to help Britain to overcome its present financial crisis?

THE PRESIDENT. What are you talking about? Say that again.

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[1] See Item 151.

Q. Can you tell us something about the administration's plans to help Britain overcome its present financial crisis?

THE PRESIDENT. The matter is being discussed in Paris and London now. I can make no statement on it at the present time.

Q. Will you deal with this at all in your Economic Message?

THE PRESIDENT. No, I will not. That Economic Message is one on the United States of America.

Q. Yes, I know, but I thought maybe this would be brought——

THE PRESIDENT. No.

[6.] Q. Mr. President, there have been persistent rumors from abroad in the last couple of weeks, one from London, and one this morning from Rome, that you are going to visit Europe sometime in the next year?

THE PRESIDENT. Well, I had no such plan. That is the first I had heard about it. A lot of people know more about what I am going to do than I do.

Q. They even have you visiting the Vatican.

THE PRESIDENT. As I said, I hadn't heard about it before, and I have no such intention. I have no such intentions.

[7.] Q. Mr. President, you still take an interest in Missouri politics—are you going to take any interest in the 1950 campaign?

THE PRESIDENT. I certainly am. Missouri is my home State, and I shall express my opinion freely in the Missouri campaign.

Q. What about the primary?

THE PRESIDENT. I may not participate in the primary, but in the general election I will tell you what I think later.

[8.] Q. Mr. President, do you plan to visit South Carolina soon? You have been invited——

THE PRESIDENT. I have been invited on several occasions. I hope sometime I will be able to make a visit there. I used to go down there frequently.

[9.] Q. Mr. President, has the administration any move in mind in connection with the Hawaii strike?

THE PRESIDENT. None whatever. There is no move that we can make.

Q. Mr. President, when the Taft-Hartley repeal bill was up, there was a lot of discussion that the President had some inherent powers to move in on these situations and stop strikes?

THE PRESIDENT. He has. He has. He has inherent powers where the welfare of the Nation is at stake, or where there has been a breakdown of communications between the several States, or between the United States and foreign nations. But that condition doesn't exist in the Hawaii strike at all.

Q. Wasn't it a national emergency when the Japs dropped some bombs on Pearl Harbor?

THE PRESIDENT. That was a difficulty between a foreign nation and the United States, and we met it.

[10.] Q. Mr. President, has Ward Canaday decided whether he will accept the chairmanship——

THE PRESIDENT. He is trying to make arrangements to accept it now. He is doing everything he can to conclude those arrangements.

Q. What was that, sir?

THE PRESIDENT. Chairman of the Munitions Board.

Q. They don't call it the Army and Navy Munitions Board?

THE PRESIDENT. No. It's the Munitions Board.

[11.] Q. Mr. President, Senator Knowland has introduced a bill to give you power to intervene in the strike.

THE PRESIDENT. Local strikes is that?

Q. In Hawaii, yes.

THE PRESIDENT. Well, I don't know

whether I want any such powers or not.

[12.] Q. Mr. President, last week you said you were going to continue to fight for Taft-Hartley repeal.

THE PRESIDENT. That's right. I shall.

Q. On that line, I wonder whether you have asked your leaders in the House to bring the bill up again in the House at this session?

THE PRESIDENT. They are considering it. We discussed the matter at the meeting Monday, to study the advisability of bringing it up again.

Q. No decision as yet?

THE PRESIDENT. They will make the decision.

Q. They will. Would you like for them to bring it up?

THE PRESIDENT. I certainly would.

Q. What bill was that? I didn't get it. [*Laughter*]

THE PRESIDENT. Taft-Hartley repeal.

Q. I was getting a little worried there, for a while.

[13.] Q. Mr. President, Congressman McCormack said on the radio last night that he didn't think there was going to be a tax bill this year. Do you agree?

THE PRESIDENT. Who said that?

Q. John McCormack.

THE PRESIDENT. Well, I think John probably would know what the situation is, for the simple reason that tax bills have to originate in the House of Representatives.

[14.] Q. Mr. President, would you accept a Senate-House conference compromise on Taft-Hartley repeal?

THE PRESIDENT. I would have to tell you about that when it came before me and I had a chance to analyze it.

[15.] Q. Mr. President, would you tell us what Congressman Pickett of Texas talked to you about yesterday?

THE PRESIDENT. He talked to me about politics in general, and Texas politics in particular. We had a very pleasant meeting.

Q. Patronage?

THE PRESIDENT. That was brought up and discussed very amicably between us. Every Congressman is interested in patronage. I used to be a Senator, and I was too, then. I am yet, but it is on a larger scale. [*Laughter*]

[16.] Q. Mr. President, sometime ago you said you were turning down some big invitations to go here and there making speeches, that you had to remain at your desk while Congress is in session.

THE PRESIDENT. That is correct.

Q. I wonder, Mr. President, why you changed your mind to go to Chicago? [2]

THE PRESIDENT. I didn't change my mind. I will be gone exactly one day. My mind hasn't changed a bit on that subject, but that has been one matter which has been under consideration for a year or two, and I finally made up my mind that I would make the trip out there for the benefit of some of my friends who are generally interested in my being present. It is not a political trip, however.

[17.] Q. Mr. President, are you bearish or bullish on the general economic situation?

THE PRESIDENT. I am bullish. Read the stock market returns for the last 3 or 4 days.

[18.] Q. Mr. President, are you considering any more women for appointment to ambassadorships? [3]

THE PRESIDENT. Oh yes. I have several under consideration.

Q. Is there any chance you will announce them within——

THE PRESIDENT. When I get ready to make the appointment I will make the announcement——

[2] On July 19 the President flew to Chicago to attend the Imperial Council Session of the Shrine of North America. See Items 159 and 160.

[3] Mrs. Perle Mesta was sworn in as Minister to Luxembourg on July 8, 1949.

Q. Thank you.

THE PRESIDENT. ——if I decide to make the appointment.

[19.] Q. Mr. President, have the new deflationary forces outweighed the inflationary forces?

THE PRESIDENT. I can't answer that, but I will make an announcement in the Economic Message on Monday.

Q. I thought so.

THE PRESIDENT. You will find out what has happened.

Q. Do you answer it then?

THE PRESIDENT. I will answer it then.

[20.] Q. Mr. President, during the visit of President Dutra of Brazil, you issued a joint statement in some detail concerning economic cooperation. Since the President's visit, is there any further development or activity in that connection?

THE PRESIDENT. No. We are working on it all the time.

[21.] Q. Mr. President, do you have any comment on Senator Lodge's move to have the presidential campaign financed by the Treasury?

THE PRESIDENT. No, I haven't. That has been under consideration ever since the Hatch Act was passed, but I think it is merely a matter for consideration, to give you a headline once in a while.

[22.] Q. Mr. President, now that final enactment of the housing law is in, have you any statement on the proposed activity program, how soon that program might get underway?

THE PRESIDENT. The Housing Administrator was with me the other day, and that was the substance of the conversation. As rapidly as possible we are going to move forward on the housing bill.

[23.] Q. Mr. President, reports on the Hill yesterday were that you had expressed yourself as favoring the basing-point bill passed by the Senate? [4]

THE PRESIDENT. I haven't seen it. I don't know what it contains, and I can't give you the answer on that. I will tell you about it, though, if it ever comes before me.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's one hundred and eighty-eighth news conference was held in his office at the White House at 10:30 a.m. on Thursday, July 7, 1949.

[4] On February 17, 1949, Senator Francis J. Myers of Pennsylvania introduced a bill to provide a 2-year moratorium on prosecutions of antitrust violations in basing-point cases. On May 31 Senator Joseph C. O'Mahoney of Wyoming substituted a bill which permitted absorption of freight charges, sales at "delivered prices," and certain instances of price discrimination in the absence of conspiracy. Several amendments were added to this bill to safeguard small businesses against such discrimination. The Senate passed the modified bill on June 1 by voice vote.

149 Letter to the Chairman of the House Judiciary Committee on the Problem of Concentration of Economic Power. *July 9, 1949*

[Released July 9, 1949. Dated July 8, 1949]

Dear Mr. Chairman:

I was glad to get your letter of June 30 about the special subcommittee you have appointed to undertake a broad inquiry into the anti-trust laws.

I am whole-heartedly in favor of your

subcommittee's objectives as you have outlined them to me.

Since the end of the war, other matters, both foreign and domestic, have at times appeared to overshadow the monopoly problem, or at least have been the subject of greater public pre-occupation. But it is my conviction that year in and year out, there is no more serious problem affecting our country and its free institutions than the distortions and abuses of our economic system which result when unenlightened free enterprise turns to monopoly. I have watched this situation carefully and I have made sure that the agencies in the Executive branch with responsibilities in this field have discharged them as effectively as their statutory powers and appropriations would permit. Moreover, I have repeatedly called to the attention of the Congress the need for stronger powers and more active measures with which to wage the never-ending fight against monopoly.

Thus, in my State of the Union Message in January, 1947, I said:

"The second major policy I desire to lay before you has to do with the growing concentration of economic power and the threat to free competition in private enterprise. In 1941 the Temporary National Economic Committee completed a comprehensive investigation into the workings of the national economy. The Committee's study showed that, despite half a century of antitrust law enforcement, one of the gravest threats to our welfare lay in the increasing concentration of power in the hands of a small number of giant organizations.

"During the war, this long-standing tendency toward economic concentration was accelerated. As a consequence, we now find that to a greater extent than ever before, whole industries are dominated by one or a few large organizations which can restrict production in the interest of higher profits and thus reduce employment and purchasing power.

"In an effort to assure full opportunity and free competition to business we will vigorously enforce the antitrust laws. There is much the Congress can do to cooperate and assist in this program.

"To strengthen and enforce the laws that regulate business practices is not enough. Enforcement must be supplemented by positive measures of aid to new enterprises. Government assistance, research programs, and credit powers should be designed and used to promote the growth of new firms and new industries. Assistance to small business is particularly important at this time when thousands of veterans who are potential business and industrial leaders are beginning their careers.

"We should also give special attention to the decentralization of industry and the development of areas that are now underindustrialized."

Again, in my State of the Union Message in January, 1948, I told the Congress:

"Growth and vitality in our economy depend on vigorous private enterprise. Free competition is the key to industrial development, full production and employment, fair prices, and an ever improving standard of living. Competition is seriously limited today in many industries by the concentration of economic power and other elements of monopoly. The appropriation of sufficient funds to permit proper enforcement of the present antitrust laws is essential. Beyond that we should go on to strengthen our legislation to protect competition."

In June of that year, I vetoed the Reed-Bulwinkle bill, which authorized certain exemptions from the anti-trust laws for inter-

state carriers. In my veto message, I said:

"I have repeatedly urged upon the Congress the necessity for a vigorous anti-monopoly program. This bill would be inconsistent with such a program."

The 80th Congress, however, overrode my veto.

In my State of the Union Message this year, I said:

"If our free-enterprise economy is to be strong and healthy we must reinvigorate the forces of competition. We must assure small business the freedom and opportunity to grow and prosper. To this purpose, we should strengthen our antitrust laws by closing those loopholes that permit monopolistic mergers and consolidations."

I am gratified, therefore, to learn that your subcommittee is undertaking a serious wide-scale study of the anti-trust laws for the purpose of determining in what respects they can be made more effective in preventing monopoly and developing a competitive economy.

I am glad to request the agencies referred to in your letter to cooperate fully with your subcommittee in this work. I enclose a copy of the memorandum which I have sent to the various agency heads on this subject. I have added a few agencies to the list you furnished because it seemed to me that your subcommittee might find occasion to call on them for assistance.

With all good wishes for the success of your work in this most important field,

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Emanuel Celler, Chairman, Committee on the Judiciary, House of Representatives]

NOTE: The memorandum directing agency cooperation with the subcommittee follows:

Memorandum to: The Attorney General, Secretary of the Treasury, Secretary of Defense, Secretary of Agriculture, Secretary of Interior, Secretary of Commerce, Chairman, Board of Governors of the Federal Reserve System, Chairman, Securities and Exchange Commission, Chairman, Federal Trade Commission, Chairman, Interstate Commerce Commission, Chairman, Federal Communications Commission, Chairman, Federal Power Commission:

Chairman Celler, of the House Committee on the Judiciary, has appointed a special subcommittee to undertake a broad inquiry into the anti-trust laws. Mr. Celler has indicated to me that he and his subcommittee wish to work in the closest cooperation with the Federal agencies that are concerned with the field of this inquiry.

I strongly favor the objectives of the Celler subcommittee. I am hopeful that its work will produce constructive recommendations and results.

I therefore request that you and your agency give Mr. Celler and his subcommittee the fullest possible cooperation and assistance, subject only to jurisdictional and appropriation limitations.

HARRY S. TRUMAN

Mr. Celler's letter of June 30 was not released by the White House.

150 Veto of Bill To Amend the Contract Settlement Act of 1944. *July* 11, 1949

To the House of Representatives:

I am returning herewith, without my approval, the enrolled bill, H.R. 834 "To amend the Contract Settlement Act of 1944 so as to authorize the payment of fair compensation to persons contracting to deliver certain strategic or critical minerals or metals in cases of failure to recover reasonable costs, and for other purposes."

H.R. 834 would compensate the mining industry for virtually all losses sustained during the war in connection with mining, or attempting to mine, strategic or critical metals and minerals. It would provide

compensation for losses including net capital expenditures which occurred in filling or attempting to fill formal contracts. It would also provide compensation for losses which occurred in attempting to supply such metals and minerals even where no contract was entered into and no Government official knew of the efforts being made to supply the material.

The principle that the Government should compensate war contractors, and volunteers acting without contracts, for losses sustained by them in activities related to the war has not generally been accepted. The implications of this principle are profound, both with respect to our finances and with respect to our free enterprise system, and should be carefully considered before this principle is accepted.

H.R. 834 adopts this principle with respect to a single industry, the mining industry.

During the war many important metals and minerals were in short supply and efforts were made to increase their production. The U.S. Bureau of Mines and the U.S. Geological Survey provided assistance in exploration and development work, at no direct cost to the miner. The Reconstruction Finance Corporation stood ready to make mining loans to persons in need of finances to develop mining properties. The Defense Plant Corporation stood ready to construct and equip mining projects. The Metals Reserve Company offered to purchase the materials produced, either through specific contracts or by purchasing odd lots. The Premium Price Plan for copper, lead and zinc provided an operating subsidy for increased production.

All of these activities were carried out within the traditional framework of our free-enterprise system. The terms and conditions of the assistance which would be provided were specified in advance. A man who thought he could operate profitably under these conditions was free to do so, and to retain the profits if his operation was successful. If, however, the operation was unsuccessful, either because his costs were higher than expected or because his expectations as to the supply of ore were not realized, it was assumed that he would bear the loss.

The Government might have made use of the cost-plus contract system for operating the mines of the country during the war, in spite of the general reluctance to do so because of the increased costs which would be expected to result from this system. However, this would have eliminated and deprived the mining industry of any profits during the war, except to the extent of the fee involved. Whether this would have been more effective in getting out the needed materials, whether it would have been more economical to the Government, and whether the mining industry would have welcomed it, cannot now be determined. The fact is that the Government did not enter into cost-plus contracts for the operation of the mines. To compensate the unsuccessful for their losses, while the successful retain their profits, leaves the taxpayer with all the harmful results of the cost-plus system and none of its benefits.

I do not believe that the mining industry as a whole wants to adopt the policy that the Government should guarantee it against loss in time of emergency. Regulation of industry and assistance to industry in time of war are necessary. They can be carried out without eliminating all risk of financial loss and opportunity for profit with the resulting incentive for greater efficiency and lower costs.

While the mining industry differs in many respects from other industries, I find no valid basis for the discrimination proposed by H.R. 834. Other industries were urged to do their part in the war program, and other industries responded as splendidly to the challenge of the wartime programs as did the mining industry. Many of these industries were also exposed to risks that were unique to them. They too sustained losses in enterprises undertaken as a part of the war effort. Approval of this bill would likely result in demands by many other classes of persons for amendments which would grant similar relief to them.

Section 2 of H.R. 834 carries the principle of reimbursing war contractors for their losses over to persons who may have had no dealings at all with the Government, and who may have engaged in a mining operation which the Government would have discouraged or forbidden, if the matter had been brought to its attention. Where the Government specifically requested that an operation be undertaken for the purpose of supplying materials to a contracting agency or war contractor, under circumstances which would have led the miner to expect reimbursement, relief can now be had by a person acting on such a request under section 17 of the Contract Settlement Act. Here the elements of a contract are present, together with a fair basis for compensation for the loss resulting from failure by the Government to live up to the expectations it had brought about. Under the proposed amendment, no such basis for liability exists. In fact, the opposite might be the case. A person, hearing of the need for a scarce mineral over the radio might in good faith hurt the war effort considerably by making, on his own initiative, a substantial expenditure of manpower and materials in a fruitless mining operation (however much reason he had to believe minerals were present and however free he might be of fault, negligence or speculative purposes). Furthermore, the application of the principles in this section would subject the Government to an unknown and undeterminable liability and would have a disturbing effect upon wartime controls over materials and manpower.

The Contract Settlement Act of 1944 has been in effect for almost five years. The provisions of this Act were enacted for the speedy settlement of terminated war contracts. Many settlements have been made under it and many decisions have been made by the boards established under it. I consider it a highly successful piece of legislation, and one which has contributed substantially to the transition from all-out war production.

The Lucas Act, too, of August 7, 1946 (60 Stat. 902) made generous provisions for the payment of equitable claims of contractors including those in the mining industry for losses which occurred in the performance of their contracts.

The enrolled enactment would reopen the entire contract settlement program with respect to minerals and metals at a time when that program has been practically completed. The principle of the finality of settlements, which was adopted in the Contract Settlement Act and which experience has demonstrated to be sound, would be abandoned. Contracts which were canceled because of default by the contractor, contracts which were completed, contracts which have been approved by the Courts would be reopened and new claims could be filed by the contractors. This would add a tremendous administrative burden and expense. Moreover, since the personnel familiar with the metals and minerals program have, for the

most part, left the Government, it would be very difficult to protect the Government's interest. It would be especially difficult to ascertain the facts with respect to claims made under section 2.

It should be noted that the Office of Contract Settlement reported to Congress that, as a result of a thorough survey, it had determined that the provisions used by Metals Reserve Company (and Reconstruction Finance Corporation as its successor) in terminating and settling contracts for the purchase of metals and minerals provided fair compensation in accordance with the principles of the Contract Settlement Act of 1944.

In my opinion, it would be a serious error to introduce at this time a new principle—insurance against war-caused losses. This would involve reopening the entire program of financing the war, with incalculable effects upon our finances.

To introduce this principle in the case of a single industry would not only give effect to an unsound principle and establish an unfortunate precedent but it would give rise to an unjustifiable discrimination.

HARRY S. TRUMAN

151 Special Message to the Congress: The President's Midyear Economic Report. *July* 11, 1949

To the Congress of the United States:

The United States economy is the strongest and most productive the world has ever known—and we have the resources and the skills to make it still stronger and more productive.

In recent months we have seen the abatement of postwar inflationary forces. We are now in a transition period, in which we must work toward conditions that will promote a more stable and enduring growth in production, employment, and purchasing power.

The fundamental task facing us all—businessmen, workers, farmers, Government—is to apply positive policies with confidence and courage in order to achieve a sounder price structure and the restoration of maximum production and employment. In so doing, we need to start with a clear understanding of the facts concerning our present situation.

Our economy today possesses vitally important elements of strength that did not exist in earlier periods. Over the course of the last 16 years, many steps have been taken by the Government to bulwark our economy against the forces of recession.

Unemployment insurance has helped to alleviate the hardships of unemployment and to sustain consumer incomes and expenditures. The old-age retirement system and public assistance for needy persons also serve to maintain purchasing power. The housing program recently enacted by the Congress will furnish positive support for housing construction and slum clearance.

The Federal Reserve System has been developed into an instrument of such strength and elastic power that the risk of credit restriction at the very time when business requires easier credit has been greatly reduced. The insurance of bank deposits has eliminated the danger of widespread loss from bank failures. The several credit institutions established within the Government go far toward preventing waves of bankruptcies and foreclosures. The farm price-support program affords assurance that our 6,000,000 farmers and the two-fifths of our population

in rural communities will not be forced out of the markets for goods.

These and other Government policies are providing strong supports to business activity and are enlarging the opportunities of private business. The fact that public expenditures of Federal, State, and local governments are running at a rate of close to 60 billion dollars a year is itself an element of great stability in the present situation.

Our position would be even stronger if we had taken adequate steps to control the inflation between 1945 and 1949. We were confronted, as an aftermath of the war, by an inflationary boom that lifted production and employment to extraordinarily high levels. But underneath the surface of the inflationary boom, there were serious dangers. Some incomes were disproportionately high. Most prices were rising at a perilous rate, and serious price and wage distortions were being developed. The spiraling cost of living was inflicting hardship on millions of families. These conditions threatened to bring about a serious break in employment and production. Therefore, I recommended repeatedly, for private and public action, an anti-inflation program to curb these dangers before we suffered the consequences.

A large part of the necessary anti-inflation program was not adopted and the inflation went on largely uncontrolled. The dangers that are latent in inflation, of which I repeatedly warned, are now being revealed.

Employment is still high, but unemployment has been increasing and veterans and others leaving school are finding it much harder to obtain work than a year ago. Production is still high, but it is lower, particularly in some industries, than it was last year. Business investment is at a high rate, but plans for new investments are being made with caution.

The 1949 decline has been moderate, and the opportunity is now ours to reverse the trend and achieve maximum production and consumption of goods and services without the evils of inflation.

The adjustment process has been rendered less difficult by the prudent actions of many groups and individuals in our business system. We have had no speculative spree in either securities or commodities. Inventory buying has been moderate and distress liquidation of inventories, such as we experienced in 1920, is not to be anticipated. Personal indebtedness, on the part of farmers, home owners, and consumers generally, has been held to conservative levels. Many far-seeing businessmen made sincere efforts to avoid or minimize price increases during inflation, and in recent months have reduced their prices and have sought valiantly to maintain production and employment. Many labor unions have used their collective strength with moderation and with consideration for the interests of the whole economy. All groups in the Nation have gained an improved understanding of economic problems since the 1920's, and their actions reflect this fact.

We should not, however, be lulled into a false sense of security by these favorable aspects of the situation. Many of the price adjustments that have taken place have been healthy, and afford ground for expectation that our economy will work its way successfully through a difficult period of transition. But there is nothing healthy about more unemployment or less production. Such trends can and must be reversed by positive action, private and public. The way to check a decline in business investment or production is to take affirmative action that will lead to more investment and more production. The way to check an increase in unemployment

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is to take affirmative action that will provide more jobs. The way to prevent our economy from shrinking is to take affirmative action that will help it to expand.

These things cannot be done by business, labor, agriculture, or government acting alone. They can only be done by all of us working together in mutual respect and with common objectives.

It is with these considerations in mind that I transmit to the Congress a brief summary of the economic situation and recommendations for action at this time.

Summary Review of Recent Economic Developments

A moderate downward trend characterized most phases of economic activity in the first half of 1949.

Civilian employment averaged 58 million. This was slightly below the level of the first half of 1948, with the greatest decrease in manufacturing industries. In June of this year, civilian employment was 59.6 million; in June of last year, 61.3 million. The number of unemployed averaged 3.2 million, the increase of about one million over the first half of 1948 about equaling the increase in the total labor force. The unemployed were 6 percent of the civilian labor force in June, compared with 3.4 percent in June of last year. The number of unemployed in June was 3.8 million, and acute unemployment problems have developed in certain localities.

Production of all goods and services, adjusted for price changes and for seasonal variation, in the first half of 1949 was about 1½ percent less than in the second half of 1948. The decline in industrial production was rapid, and by June had reached 13 percent below last fall's peak. Other business activity as a whole changed but little. A moderate decrease in private construction was partly offset by a rise in public construction. This year's agricultural production seems likely to approach last year's.

Prices generally decreased, reflecting the shift from a sellers' to a buyers' market. The decreases were in most instances moderate and orderly, with no indication of a general spiraling downward. Wholesale prices by mid-year had declined 9 percent, consumers' prices 3 percent, from their high points of last August.

Wages increased in some industries, but, at least in manufacturing, the increases were more than offset by reduced overtime and shorter workweeks. Since the cost of living decreased by about as much as workers' average earnings, real earnings generally were maintained.

Profits reflected the decline in prices and production. Corporate profits before taxes and inventory valuation adjustment in the first half of this year were about 13 percent below the first half of last year. The corresponding figure for unincorporated enterprises, however, fell only about 7 percent.

Farm income was about 8 percent below the first half of 1948.

Credit requirements of business decreased as inventories and customer receivables were reduced. Commercial loans of large city banks shrank 15 percent, but otherwise loans by banks and other investment institutions remained stable. Total bank deposits and money in circulation decreased about 2 percent during the past half year. Interest rates continued low.

Business investment decreased in the first half of 1949 from the 1948 level. Allowing for seasonal variations, in the second quarter it was 26 percent below the peak rate of the fourth quarter of 1948, chiefly as a result of reductions in inventories. Plant and equip-

ment outlays were still about as high as a year ago, but some decrease is anticipated in the last half of 1949.

Corporate finance reflected the reduction of inventories and of customer credit. Funds thus freed helped corporations to reduce their total indebtedness by about 3.5 billion dollars.

Housing starts were less than in the first half of 1948, but since March have been moving up toward last year's levels.

Personal income of consumers after taxes decreased only about 1 percent from the level of the last half of 1948. Since consumers' prices dropped 2 percent, real income did not change significantly. Consumption expenditures in dollar terms decreased nearly 3 percent. Total liquid assets of individuals and business firms are now about 235 billion dollars. However, nearly 30 percent of our families have no reserve of liquid assets.

In foreign trade, an increase in exports and a falling off of imports have continued the rising trend in the export surplus which began last fall. The surplus was financed almost entirely through Government foreign-aid programs.

Government fiscal transactions were a source of support against other factors making for decline in the economy during the past half year. Using figures on a consolidated cash basis, rather than the conventional budget basis, to reflect the effective impact of total governmental receipts and payments upon the economy, cash payments by the Federal Government ran at a rate more than 20 percent higher than in the first half of 1948, and State and local payments at a rate about 13 percent higher. Federal cash receipts were down about 10 percent, State and local receipts were up about 5 percent. All governmental units combined showed a cash deficit in the first half of 1949 at a seasonally adjusted annual rate of 2.4 billion dollars, in contrast to a surplus at a rate of 12.1 billion dollars in the corresponding period in 1948. The Federal cash deficit in the past half year was at an annual rate of about 1 billion dollars, contrasted with a surplus at an annual rate of 12.3 billion dollars in the first half of last year.

Policies for Economic Stability and Expansion

These facts show that our economy is still operating at high levels of employment and production. The kind of Government action that would be called for in a serious economic emergency would not be appropriate now.

However, it would be even less appropriate to rely entirely on "letting nature take its course" to restore economic stability and maximum production and employment. Within the memory of this generation, we have experienced both the terrible consequences of inaction and the saving value of affirmative policy. It is consistent with the whole history of American progress to recognize that, now as before, action can and should be taken to make our economy still stronger and to deal with the new problems of the present.

It is fundamentally important to recognize that we should direct our policies and actions not merely toward preventing a depression or holding our ground. Many times I have pointed out that the life and spirit of the American economy is progress and expansion. We need to use the productive capacity of a growing labor force. We need to translate improved productivity and managerial skills into constantly increasing output. If the real needs and aspirations of our people are translated into

effective demand through constantly growing employment and purchasing power, our markets can absorb a vigorously expanding output. We can achieve within a few years a national output well above 300 billion dollars, valued at current prices.

Our goal of growth and expansion determines the kind of policies that private enterprise and Government should now develop and apply.

To restrict business investment, curtail production, reduce employment, or slash wages, because our economy has declined somewhat, would only serve to drag us further downward. But if in every field of action we do the things that are consistent with a strong and growing economy, we will have a strong and growing economy.

It is vitally important that Government policy be based upon the determination to achieve a constantly growing economy. While some businessmen may find it difficult to expand their operations under current circumstances, the Government can always take conscious and positive action to counteract recessionary forces.

Yet there are those who assert that the decline in national income requires that we cut essential national programs. Nothing could represent greater economic folly than to follow this course of action. It would contribute to the very recessionary forces that we should be counteracting. It would be a defeatist admission that we cannot prevent our economy from running downhill and that those programs which are vital to the international security and domestic welfare of our people, as well as to the strength of our economy, must be steered in the same downward direction.

This issue is fundamental. Are we going to admit that the forces of progress in our economy have become so feeble that we must content ourselves with lower levels of education, health and housing, international and domestic security, and national development? Or are we going to move forward toward making our economy as strong and productive as our resources and skills permit, and adopt the programs which are consistent with that kind of economy and necessary for its attainment?

I propose that we follow the latter course.

Business investment

Initiative, ingenuity, and courage have always been characteristic of American businessmen. The production goals achieved during the war were a miracle to the rest of the world. There are now great opportunities for business investment to remove obsolescence, to make use of the rapid progress of science and invention, to improve transportation facilities, to enlarge the housing supply, to industrialize underdeveloped areas of our country, to bring conveniences and labor-saving devices to American homes and farms, and to meet the needs of a population that will continue to grow. Businessmen should lift their sights to the needs of an economy that grows and prospers from year to year.

I have previously recommended, and I again recommend, that the Congress provide for a broad study of potential business investment, expansion, and market opportunities under conditions of maximum use of our productive resources in a growing economy—conditions which the Employment Act of 1946 contemplates and which can be achieved if we have the confidence and determination to achieve them. This study should be designed especially to discover inadequacies in capacity in basic industries which may serve as limiting factors

to expansion when the upward movement of business is resumed.

Price and wage policies

In addition to the need for expanded business investment, positive actions are required to enlarge consumer purchasing power.

Businessmen have a great opportunity to maintain production and sales volume by adjusting prices downward, even at the cost of temporarily reduced profits. Maintaining volume in the present situation is far more important than maintaining profit margins. The only ultimate source of sustained profits is sustained employment and purchasing power.

The same concept should guide wage policies. Business cannot be prosperous unless the purchasing power of workers is maintained. While price reductions are desirable, they should not be attained at the expense of wage cutting. Management and labor, through collective bargaining, should seek agreements which recognize that the benefits of improved technology and productivity should be reflected both in the wage structure and in the price structure.

Fiscal policy

The Government's programs of expenditures and receipts must be carefully planned in the light of economic developments as they occur.

The Federal Budget in recent years has necessarily been large, reflecting not only the needs of the people for Government services but also the extraordinary responsibilities of the United States in working toward a peaceful world.

The sound objective of Government policy is to contribute toward the maximum use of our resources, not to contribute toward having them lie idle and unused. When I submitted my budget for the fiscal year 1950 last January, the programs of expenditure that I then recommended were held to a minimum consistent with our basic needs in view of the inflationary strain upon materials and manpower then prevailing. Now that this strain has been removed, it would be inconsistent with sound fiscal policy and common sense to make these programs smaller.

Continuing these necessary programs involves the problem of how and when we should achieve a balance of Federal receipts and expenditures, and a reduction of the national debt. No one has been more concerned with this problem than I, and this concern has not diminished. I will continue to exert every effort to achieve every economy in the development and execution of programs that is consistent with the national welfare. Balancing the budget and reducing the national debt are objectives to be achieved at the earliest feasible time.

But these objectives cannot be achieved without regard to the general state of the Nation's economy. During the fiscal years 1947 and 1948 we were able to achieve, although not to the extent desired, the objective of balancing the budget and reducing the national debt. I urged repeatedly during this inflationary period that Government revenues be maintained to provide a surplus for retirement of the national debt. The present deficit of Federal receipts below expenditures, caused primarily by the untimely tax reduction of 5 billion dollars during the height of inflation, against which I so strongly advised, has been aggravated by the loss in revenue resulting from the decline in production and national income.

As I said in my Economic Report in Janu-

ary of this year: "The national tax policy should be flexible and should be promptly adjusted to the changing needs of business and consumers in the course of evolving economic events."

Under present economic conditions, we cannot immediately correct the tax mistakes of the past or the conditions which led to a lower level of national income and lower Federal revenues. Any tax increase should be judged by the effect which it might have upon national income and purchasing power. Under present conditions, immediate tax increases should be limited to raising estate and gift tax rates and closing the loopholes in their administration, so as at least to restore the revenue from this source lost under the Revenue Act of 1948. This will have no significant adverse effects upon present economic conditions. At the same time, the tax on transportation of goods, which enters directly into such a large number of business costs, should be eliminated. Furthermore, the loss carry-over provisions in the corporate income tax laws should be liberalized in order to give an increased incentive to some business investments which may now be held back because of uncertain profit expectations. The net effect of these three changes in our tax structure, taken together, will be favorable to the expansion of business activity, without causing a significant net loss in total receipts. No changes in the tax laws which would result in a larger net loss in revenues would be justified at this time.

In view of our domestic and international obligations, an abundant economy is the only safe road to a Government surplus. In 1948 the value of our national output of goods and services was above 250 billion dollars. A 3- or 4-percent annual growth of our economy, which I set as a practical objective in my Economic Report in January, would increase annual national output in real terms by 7½ to 10 billion dollars. Higher national output means more Federal revenues at any given tax rate.

Present levels of expenditures are due in large measure to the extraordinary costs of our national defense and international activities. These activities are of such paramount importance that it is out of the question to slash them at this time. But, as our policy for peace takes effect, it should be possible in future years to reduce these expenditures which now make such heavy demands upon our Federal budget. As opportunity offers, I shall make every effort to achieve an excess of Federal income over outgo, consistent with our major objectives of peace and prosperity.

But if we tried to avoid a budget deficit by cutting essential expenditures, we would contribute to lower national output and lower employment, Federal receipts would fall further, and the burden upon Federal expenditures would increase. We cannot expect to achieve a budget surplus in a declining national economy.

There are economic and social deficits that would be far more serious than a temporary deficit in the Federal budget. Could we be truly prosperous if the level of business investment or consumer purchasing power should become seriously deficient? Could we be truly prosperous with gaping deficits in our educational system or our housing or our health services or our programs for resource development? If we should allow these deficits to multiply, they would drag the whole economy down, and there would be no hope for balancing the Government budget. But if we prevent these deficits, if we realize the productive potentials of the American economy, the whole Nation will prosper, and not only will we balance the

Federal budget, but we can also move forward to improve the tax system and to resume reduction of the national debt.

Monetary and credit policy

Federal monetary and credit policies should contribute to the needs of an expanding economy.

Present conditions of ample credit supplies and low interest rates are favorable to business investment. The policy of the Government will be to continue to maintain orderly conditions in the Government security markets and to encourage banks and other institutions to maintain and expand their productive lending activities.

Over the years, Federal lending has come to exercise an important influence upon business investment by providing funds which would otherwise not be available, particularly for small and new businesses. In a period of business contraction, no matter how moderate, deficiencies in capital funds force many enterprises to the wall. It is no answer to this difficult question to say that this squeezes out the inefficient, because it also ruins many who are temporarily in adverse financial circumstances without being inefficient, and prevents others from getting a start in business.

The Reconstruction Finance Corporation, under its existing authority, will continue its support of business activity by making loans based upon reasonable assurance of repayment, not under depression conditions, but under generally prosperous, long-run conditions. The Corporation is also very properly focusing its loan activities toward areas where unemployment has become serious. New legislation is needed, however, to extend the maximum maturity periods for loans, in order to permit financial assistance by the Corporation to business ventures which are economically sound and urgently needed in an expanding economy, but which require long periods of time to develop and produce earnings that will permit orderly amortization of debt.

Agricultural policy

Millions of American consumers derive their livelihood from farming and buy the products of industry. Experience has taught us that there can be no lasting general prosperity without farm prosperity.

There is immediate need to overcome a number of shortcomings in existing farm legislation. It is necessary to assure fair and adequate supports for major farm products, notably livestock products, which have not been covered in past programs. It is necessary to authorize the use of direct production payments as an alternative to the pegging of market prices if an effective support program is to be carried forward without waste of commodities and without denying to consumers the benefits of agricultural abundance. It is desirable to recognize clearly that the objective of farm support prices is to maintain an adequate level of farm income and promote shifts in lines of agricultural production which will encourage an increase in the total domestic consumption of farm products. I urge the Congress to enact at this session legislation to meet these needs.

Minimum wages

Minimum-wage legislation is essential to maintaining adequate consumer purchasing power among large groups of our population. The cost of living has been reduced very little; so that low-paid workers are still faced with a grave problem in meeting living expenses. Higher minimum wages are an element in the general improvement of

American living standards which we can afford and must achieve. I repeat my request for the immediate raising of the minimum wage under the Fair Labor Standards Act to at least 75 cents an hour, and the extension of the Act's coverage.

Social security

Although unemployment has not risen to the dangerous levels which would call for all-out emergency measures, there is an inescapable obligation of Government to take action when large numbers of people are unemployed through no fault of their own. Such action is important not only to the unemployed but also to business, since unemployment benefits maintain to some extent the purchasing power of those who have lost their jobs. Because these measures contribute toward isolating the consequences of unemployment and reducing its duration, it is not economical even by the measure of dollars alone to leave these protective devices in an inadequate state. The cost of such measures is determined not only by the extent of coverage or size of benefits but also by the extent and duration of unemployment.

Under current economic conditions, it is urgent that the unemployment compensation system be broadened and liberalized. I recommend that the Congress strengthen our Federal-State unemployment insurance system by establishing minimum benefit standards for all parts of the country and by broadening coverage. These minimum standards should provide benefits for 26 weeks ranging up to $30 a week for single individuals, with additional amounts for dependents.

Ample funds are available for this purpose in the trust accounts of most States. However, these increased benefits will require action by the State legislatures and it will obviously take some time before the laws of all States can be amended for this purpose. It will be necessary, therefore, to allow a reasonable period before the requirement for new standards takes effect.

To encourage the States to meet the new standards without waiting for this period to expire, I recommend that a Federal reinsurance fund be established for those States which meet the minimum standards to assure that the increased protection will not threaten the continued solvency of State unemployment funds. This would represent an extension and strengthening of the present legislation authorizing Federal loans to States whose unemployment funds run low, which expires on December 31, 1949.

I further recommend that the expiration date for unemployment benefits for veterans under the Servicemen's Readjustment Act be extended for one year, to July 25, 1950. Such benefits should not be available to those eligible for unemployment compensation under State laws, except where necessary to bring State payments up to the Federal level, or when State benefits are used up.

The improvements in the old-age and survivors' insurance system which I have recommended to the Congress are also badly needed. The present schedule for increasing pay roll taxes to 1½ percent each on employers and employees next January will provide the financial basis for such improvements without unduly reducing consumer purchasing power.

I have already recommended to the Congress that in addition to Federal aid to the States for the needy aged, for the blind, and for dependent children, such aid should be extended to other needy persons receiving general assistance. In most States, the programs now in operation are inadequate and in many localities there is no program at all. Recent economic developments have empha-

sized the need for aid, and I again urge its favorable consideration by the Congress.

Public works

Public works programs, Federal, State, and local, assume added significance under present conditions as a means of maintaining consumer purchasing power and stimulating investment opportunities. My January budget proposals called for Federal expenditures for civil public works in fiscal year 1950 in the amount of about 3 billion dollars, compared to about 2¼ billion dollars in fiscal 1949. Continuing the programs included in the present budget, even without any new starts, will require expenditures of approximately 3 billion dollars in each of the fiscal years 1951 and 1952, at construction rates now planned.

This is a substantial program, and, coupled with private construction expenditures at the current rate, and with local and State expenditures at a rate in excess of 3 billion dollars a year, should maintain the construction industry at a high level of activity and thus strengthen the whole economy.

The economic situation does not now call for an immediate and sweeping expansion of public works. It would be dangerous, however, to neglect the precautionary preparation of measures which might be needed if the business downturn should become more serious. Such preparatory measures by themselves will serve to inspire confidence that the Government will, if necessary, help further to maintain a high level of demand. They will thus reduce doubts that businessmen may have about planning investments for the future. They will also encourage consumers to continue their normal purchasing with more confidence.

I urge, therefore, that the Congress (1) enact legislation to provide for loans to assist State and local advance planning of public works; (2) provide funds for the Public Buildings Administration for advance planning and site acquisition for Federal construction, under the authority recently enacted; (3) enable the Bureau of Public Roads to make advances to States for acquiring and clearing rights-of-way; and (4) provide for the surveys and planning for school construction which I have previously recommended. Together with the advance planning already under way by many Federal agencies, these actions will round out a substantial backlog of planned public works.

Concentration upon areas of relatively serious unemployment

While unemployment is not now at a very high level for the country as a whole, there are many localities and even some States where it is serious. These pools of heavy unemployment need to be treated before they spread, and the responsibility is in part national.

There are a number of Federal programs of direct action or assistance to localities which can be timed and channeled so as to concentrate upon areas where unemployment is heavy without sacrifice of general national objectives. This principle of wise selectivity is particularly applicable to procurement and construction activities, but it is also relevant to other grant or loan programs designed to stimulate private enterprise or to effect public improvements. Toward this end, I am directing that a continuing review of such activities be undertaken within the Executive Office, in order to coordinate planning, to keep the various types of activity and their geographic distribution in proper balance and readiness, and to focus emphasis

upon alleviating unemployment in particular areas where it becomes serious before it has a chance to spread. I am also having a study made of possible changes in the laws governing these activities which may be needed for these purposes.

Foreign economic policy

The decline in our business activity is reducing our imports, which is an important factor affecting the ability of foreign countries to earn the dollars they require to restore their economic health. The decline in imports, if long continued, could have very serious effects. If a severe shrinkage in the flow of dollars abroad occurred, it would not only reduce our exports now, but would also force other countries to try to save dollars by making discriminatory trading arrangements that would adversely affect the long-run future of our foreign trade. Moreover, it would set back recovery and reconstruction abroad, and might precipitate developments which would have serious consequences for world political stability.

For these reasons, it is especially important at this time for us to continue the efforts we are making to help rebuild a strong and advancing world economy, based upon an effective network of world trade and the growing productive strength of free nations. In addition to maintaining our foreign-assistance programs, and restoring a full-scale Reciprocal Trade Agreements Act, I urge the Congress to enact the legislation I have recently recommended to expand both technical and capital assistance for the economic growth of underdeveloped areas.

The expansion of foreign investment, by making more dollars available directly to the underdeveloped countries and indirectly to the capital-goods-exporting countries of Europe, will improve the rest of the world's ability to buy from us. The expansion of technical assistance will stimulate foreign investment by assisting countries that want capital for development to translate their aspirations into concrete projects, by creating new productive investment opportunities, and by increasing the private investor's knowledge of those that already exist. Both under its existing authority and under the new legislation I have proposed, the Export-Import Bank will be expanding its operations and substantially contributing to these objectives.

These actions are called for by both our foreign policy and our domestic economic policy. They will be supplemented by the strong support of the United States for an expansion in the development activities of the International Bank for Reconstruction and Development.

There is danger that a further reduction of economic activity may give rise to pressure to restrain imports, in an attempt to divert to United States markets part of the small fraction of total demand now directed toward foreign goods. It should be recognized that diversion is a poor substitute for expansion of total demand. Protectionist measures would not merely shift the problem of inadequate markets to other countries but would also, with the present dollar stringency, promptly reduce our own exports. Such measures would, therefore, not have a stimulating effect on the domestic economy, even in the short run.

SUMMARY OF LEGISLATIVE RECOMMENDATIONS

In summary, I recommend that the Congress take the following actions at this session because of their vital importance in the current economic situation:

1. Repeal the tax on the transportation of goods, liberalize the provisions for carry-over of losses by corporations, and raise estate and

gift taxes. No major increase in taxes should be undertaken at this time.

2. Extend the maximum time limit now fixed by law on the maturity of loans to business made by the Reconstruction Finance Corporation.

3. Provide for a broad study of investment and development needs and market opportunities in an expanding economy.

4. Adopt an improved program of farm income supports.

5. Increase the minimum wage to at least 75 cents an hour and broaden its coverage.

6. Strengthen the unemployment compensation system by increasing the amount and duration of benefits and extending coverage.

7. Extend to July 25, 1950, the availability of readjustment allowances for veterans not protected by State unemployment compensation laws.

8. Raise benefits and extend coverage under the old-age and survivors insurance system and improve the public assistance program.

9. Enact legislation to permit Federal agencies, and assist States and localities, to intensify their advance planning and to acquire sites for useful projects.

10. Enact legislation to provide technical assistance to underdeveloped areas abroad and to encourage investment in such areas.

11. Restore the Reciprocal Trade Agreements Act.

The core of my message to every businessman, worker, and farmer, and to everyone responsible for the making of national policy is just this: We cannot have prosperity by getting adjusted to the idea of a depression—by cutting investment or employment or wages or essential Government programs. We can be prosperous only by planning and working for prosperity, by increasing private investment, production, employment and purchasing power, and by carrying forward essential Government programs.

The whole world is watching developments in the American economy. Our own people insist upon the maintenance of prosperity, and will not tolerate a depression. Our friends abroad know that their well-being and hopes for world peace are greatly dependent upon the economic strength of the United States. Those opposed to our system and way of life are hoping for the vindication of their prophecies that economic collapse is inevitable in a free society.

Ours is at once a fateful responsibility and an inspiring opportunity to prove to ourselves and to the world that prosperity and freedom will endure together.

HARRY S. TRUMAN

NOTE: The message and the complete report (126 pp.) are printed in "Midyear Economic Report of the President" (H. Doc. 252, 81st Cong., 1st sess.).

152 Telegram Urging Management and Labor Leaders To Postpone the Steel Strike. *July* 12, 1949

THE DIRECTOR of the Federal Mediation and Conciliation Service has reported to me on the status of the current dispute between the major companies in the basic steel industry and the United Steel Workers of America, CIO. It appears that the parties are deadlocked and that there is no likelihood of a settlement through negotiations, with the aid of mediation, before July 16, when strike action is contemplated by the union.

The basic steel industry occupies a stra-

tegic and vital position in the economy of the Nation. A cessation of work and operations in that industry would have grave consequences, and would interfere with the attainment of our national objectives.

In view of these circumstances, I am requesting the parties to continue work and operations under the terms of the collective bargaining agreements now in effect for a period of sixty days from July 16, 1949. I am appointing a Board consisting of three public members to investigate and to inquire into the issues in dispute and to report to me thereon within forty-five days from July 16, 1949, with their recommendations to the parties as to fair and equitable terms of settlement.

I earnestly request all parties to the dispute to accept this proposal and will appreciate a prompt reply.

HARRY S. TRUMAN

NOTE: This is the text of identical telegrams sent to the following persons: Charles M. White, president, Republic Steel Corporation, Archie J. McFarland, president, Wheeling Steel Corporation, Frank Purnell, president, Youngstown Sheet and Tube Company, Benjamin F. Fairless, president, United States Steel Corporation, Arthur B. Homer, president, Bethlehem Steel Corporation, Ben Moreell, president, Jones and Laughlin Steel Corporation, and Philip Murray, president, United Steelworkers of America.

See also Item 153.

153 Further Telegrams to Leaders in the Steel Labor Dispute. *July* 13, 1949

Benjamin F. Fairless, President,
U.S. Steel Corporation.
Charles M. White, President,
Republic Steel Corporation.
Arthur B. Homer, President,
Bethlehem Steel Corporation.

In reply to your telegram of July 12 the present situation in the steel industry does not constitute such an immediate peril to the national health or safety as to authorize the appointment of a board of inquiry under section 206 of the Labor Management Relations Act, 1947.

Nevertheless, an interruption in steel production would have serious consequences to the whole Nation. It is obviously more sensible to attempt to prevent such an interruption before it starts than to wait and have the Government step in after a prolonged interruption has reached a point where it does imperil the national health or safety.

The board I am appointing will make recommendations as to fair and equitable terms of settlement. Those recommendations will not, of course, bind either party. Their purpose, instead, is to make it possible for the parties and the public to have the benefit of an impartial appraisal of the issues in dispute.

This is a proper and accepted method of aiding and maintaining industrial peace, and is in keeping with the American spirit of fair dealing.

Surely you are not afraid to have your side of this dispute examined in the public interest.

I trust that you will cooperate in presenting the full facts to the board I am appointing. Please reply.

HARRY S. TRUMAN

Frank Purnell, President,
Youngstown Sheet and Tube Company.
A. J. McFarland, President,
Wheeling Steel Corporation.

Thank you for your telegram of July 13. I interpret it to mean that you plan to continue operations and that you will present

your side of dispute to the board I am appointing in order that recommendations as to fair and equitable terms of settlement may be made. I hope these recommendations can form the basis for final agreement between the parties.

HARRY S. TRUMAN

Ben Moreell, President,
Jones and Laughlin Steel Corporation.

Thank you for your telegram of July 12 and for your willingness to cooperate in the public interest. I hope and believe final agreement can be reached within the sixty day period.

HARRY S. TRUMAN

Philip Murray, President,
United Steelworkers of America.

Thank you for your telegram informing me of the action of your policy committee in accepting my proposal to continue work and present your side of dispute to the board I am appointing.

HARRY S. TRUMAN

NOTE: In response to the President's telegrams of July 12 and 13, the presidents of the U.S. Steel Corporation, the Republic Steel Corporation, and the Bethlehem Steel Corporation sent telegrams in which they stated strong objections to the appointment of a board with power to make recommendations as opposed to a board appointed under the Taft-Hartley Act, which would be limited to factfinding. However, the three companies agreed to cooperate with the President's board with the understanding that there would be no obligation on their part to accept any recommendations which the board might make.

The presidents of the Youngstown Sheet and Tube Company and of the Wheeling Steel Corporation expressed similar objections but stated that they would continue operations. The president of the Jones and Laughlin Steel Corporation merely stated that he would continue operations for a period of 60 days as requested by the President.

The president of the United Steelworkers stated that the union would continue operations during the period in which the collective bargaining agreements were in effect and that he would cooperate with the board appointed by the President.

154 Radio and Television Report to the American People on the State of the National Economy. *July* 13, 1949

[Delivered from the White House at 10:30 p.m.]

My fellow citizens:

I want to talk to you tonight about our country, about its future, and about its importance to the hopes and aspirations of all mankind.

It is a good thing to stop and think about where we are, where we are going, and what our national aims and objectives should be. The elected representatives of the people, and particularly their President, have a duty to report from time to time on these basic questions.

On Monday I sent the Midyear Economic Report to the Congress. Tonight I want to tell you something about what was in that report, and also about the Federal budget, concerning which there has recently been much discussion.

The history of the United States is a story of constant economic growth and expansion. When I was a young man, the population of the United States was between 90 and 100 million people. Today it is nearly 150 million. Forty years ago, the national income—the total of all the income received by all the people of the United States—was in the neighborhood of $30 billion. Today, the national income is well over $200 billion. It has increased more than 10 times as fast as the population.

These figures are a measure of our rising standard of living—our increasing freedom from toil and poverty. They are the result of constant expansion in agriculture and industry.

In fact, unless we do expand our production steadily, we run into economic difficulties. We cannot stand still. We must expand if we are to stay prosperous.

A little more than 10 years ago President Roosevelt called for a national income of $100 billion a year. This was a surprising figure when he mentioned it, but we have far surpassed it in the space of 10 years. Our national income last year was $225 billion.

If we could make such progress in the past, we can go on making it in the future. Before long, our national income should reach a total of $300 billion or more.

But if we want to reach that goal, we all have to have some hard work ahead of us. We shall have to make wise decisions about our national policies. And we shall have to be sure that the selfish interests do not drive us into the ditch, as they have done before.

At the present time, there is a drop in employment and in production in certain lines. I have been concerned about this and I have studied the facts carefully. I want to tell you what those facts are.

As to employment, we have now more than 59½ million people working in civilian jobs. This is a tremendous number, but last year at this time we had a little over 61 million employed. Furthermore, there are more people looking for jobs this year, because about a million young people and veterans have become available for employment for the first time.

Consequently, although the number of people with jobs is very high, the number of people without jobs is substantially larger than it was a year ago. Last year at this time, the number of people out of work was as low as we can expect it to be in peacetime. It was a little over 2 million. Now, the number out of work is almost 4 million.

While much of this unemployment is temporary and is part of the normal process of changing jobs, there are substantial numbers of people who have been out of work for some time, and who are now suffering hardship.

As to production, the output of all goods and services declined slightly during the first half of this year. In some types of business, there has been no decline at all. In others there have been slight increases. In manufacturing, however, the output in June had dropped 13 percent from the high point of last November.

In the Economic Message in January, I said that we should strive for a 3 or 4 percent increase in total output this year if we were to maintain maximum production and employment. Instead, we have fallen somewhat below last year's level.

These are the facts. I am not coloring them one way or the other.

Now, some people are saying, and saying very loudly, that these facts mean that we are in a depression. Many of these people, for political reasons, would like to have a depression. Others are saying that there is nothing to worry about, and that an increase in the number looking for work is a good thing. This attitude ignores the human suffering caused by unemployment.

Both groups are wrong. We are not in a depression. But an increase in the number of people out of work is something to worry about, and is something that must be cured.

If we were in a depression, I would be

the first person to tell you, and I would call upon all the resources of this Nation to stop it.

What we face today is not a depression, and if we follow the right course, it will not become a depression.

We are going through an economic change which is the result of the inflationary spiral that we were in until a few months ago. I warned repeatedly against the dangers of this inflation, and I asked the Congress time and time again to take steps to curb the excessive rise in prices. I did this because I knew that if prices went too high, they would topple over and bring about a decline in production and employment.

Unfortunately, my recommendations were not accepted. Prices continued to climb. As the most urgent needs of the people and of industry were satisfied, these high prices cut down the sale of goods. As a result, production declined. Prices are now finding more reasonable levels—a fact which should stimulate sales and production again.

In this period of change, our national economy is protected by important economic reforms which the Government has adopted over the last 16 years. Unemployment insurance and social security are helping people who are out of work, and are helping to maintain consumer purchasing power. The farm price support program is keeping agriculture on a fairly even keel. The insurance of bank deposits protects us against bank runs. Our controls over the marketing and exchange of securities prevent wild speculative sprees and stock market crashes.

Because of these and other Government policies, we have suffered far less in this period of declining prices than we ever have in a similar period before. These Government measures, all of which were bitterly opposed by selfish interests when they were passed, have proved their value in protecting the economy.

Furthermore, all groups in the Nation have gained a better understanding of economic problems since the 1920's, and this understanding, on the part of businessmen, consumers, and labor, has helped to cushion the process of price change.

Now all of us—business, labor, agriculture, and Government—must take positive action together to restore the upward trend. The decisions we make in the next few months can prolong the present decline, or they can turn it into an upswing.

Our goal is maximum employment and production. The only way to reach this goal is to increase our economic activity. The needs of our people are constantly growing. Our skills are increasing. Every year brings forth new inventions and techniques, new opportunities for improvement and development.

The tools are at hand for continued economic expansion. All we need is the courage to use them.

Businessmen should take advantage now of opportunities for modernizing their plants and for new business investment, and together with labor should cooperate in achieving higher production and employment. Farm production should continue at high levels.

The Government likewise must direct its policies toward continued economic expansion. The country is growing and we need to preserve and develop our natural resources for this generation and the next. We must therefore press forward with programs of soil conservation, and river valley development, and other public works.

Economic expansion requires constantly rising living standards for our people. We must therefore expand our programs of so-

cial security, education, health, and housing. We must build, as we are building, for the future.

There are men of little vision who say we ought not to go on doing these things. They say they cost too much. They say we are wasting money.

The truth is that an investment in the future of this great Nation is not a waste of money. The dollars we put into our rivers and our powerplants will be repaid to us in fruitful valleys and prosperous communities. Expenditures for the health and education of our children will yield us untold dividends in human happiness.

But, say those who object, look at the size of the budget.

All right, let's look at the budget.

The budget includes the cost of almost everything the Government does. It is not simply the payroll of Federal employees, as some people appear to think. In fact, the pay of Federal civilian employees is only about 12 percent of the budget. The budget includes all Federal expenses for national defense, for international aid, and for the conduct of the affairs of this Nation abroad. It includes Federal aid to the States, for roads and health and other programs. It includes atomic energy, and dams, and soil conservation and flood control, and many other things essential to the growth of our country.

These things are necessary, but in the present budget we have not provided extravagantly for them. Let me make it clear that I believe in prudent financial management. That has been my rule in my private life and in my public life. I am working for the reorganization and better management of the Government to achieve greater efficiency. I believe in the economical use of the public's money—and the budget is based on that principle.

If we examine the items in the budget, we see, in dollar figures, the magnitude of the task which confronts this Nation in protecting the cause of peace and freedom. Over three-fourths of the budget is due to international events. Less than one-fourth arises from the domestic functions of the Government.

Let me explain to you why this is so.

The total of the whole budget today is about $42 billion. Of this total, $32 billion is the result of either past wars or our efforts to prevent another war. Three big items make up this $32 billion.

The first is national defense. That accounts for over $14 billion. The armed services, at the start of this year, wanted a much bigger sum than that, but I cut it down to the minimum necessary for our protection and for the preservation of peace in this troubled world. It is expensive to keep up the forces necessary to prevent war, but in the long run it could be a lot more expensive not to have them.

The second item is the cost of our international programs. They will cost this year about $7 billion, and they are worth every penny of it. This sum includes the cost of the European recovery program and our occupation responsibilities. These programs have kept Western Europe out of the hands of the Communists, and are helping to restore the economic and social strength of the free nations. If we were to cut these programs, it would weaken our efforts for peace. That is a risk we must not take.

These two items, national defense and international aid, add up to $21 billion—more than half the budget. These are the expenditures we are making to prevent future wars. If anybody thinks it extravagant to maintain the peace, let him remember that it cost us not $21 billion a year but $100 billion a year to conduct the last war.

I do not believe that our defense and international expenditures will have to remain at their present high level indefinitely. I hope that they may be reduced as our program for peace takes effect. But, as of today, I regard these expenditures as the most valuable insurance we can take out against the enormous expense and the terrible loss of another war.

The third big item includes interest on Government bonds and benefits for veterans. Together these expenses total about $11 billion. I don't believe anybody has suggested that we default on our Government bonds or that we default on our obligations to our veterans by cutting this item.

These are the costs of past wars. Together with the $21 billion for preventing future wars, they add up to $32 billion, more than three-fourths of the budget.

The remaining $10 billion of the budget provides for all other functions of the Government. The major items in this category are public works, farm price supports, education, housing programs, and payments for health and social security. For a country the size of ours, with a $200 billion economy, $10 billion for such essential programs is a reasonable, a very reasonable sum indeed.

Today, after a large increase in population and in spite of rising prices, this part of the budget is only 50 percent greater than it was 10 years ago. The other part of the budget—the cost of past wars and of preventing future wars—is the part that has shown such a tremendous increase. This part of the budget is 900 percent greater than it was 10 years ago.

The size of the budget reflects the world we are living in. We have to face the facts of the world of today. It does no good to retire into the world of the past and to wish that somehow the facts would just go away, so that we could have a small budget again.

The leaders of the unlamented 80th Congress thought that they could wish the facts away. They insisted on passing a tax reduction against my advice and over my veto. I warned that this tax cut of $5 billion was almost certain to produce a deficit. It did produce a deficit. For the year ending July 1, 1949, the deficit was $1,800 million.

The economy was running at a high level when this untimely tax cut was made. People then could pay the taxes necessary to balance the budget and to provide a surplus for debt reduction. Today, because profits and incomes have fallen, taxes bring in less money. An increase in taxes now might bear too heavily on business and discourage the investment necessary to full production and full employment.

At this time, therefore, I am not recommending new taxes to make up the deficit. I do not like to have a Government deficit. But still less do I want to injure the economic health of this country.

Selfish interests were behind the tax reduction of the 80th Congress. They were also behind the failure to provide authority to stabilize prices. These two blunders of the selfish interests have had unfortunate economic consequences. They will continue to cause us trouble for some time.

Now these same selfish interests are urging us to commit a third great blunder. They are now urging drastic cuts in Government expenditures—cuts which would fall hardest on those expenditures which are most important to our domestic economy.

Making cuts of this type in the budget is just the thing you do not do if you want to help the economy expand. At a time when employment is already lower than it should be, cutting Government expenditures would cause more unemployment. At a time when more investment is needed, it would

be foolish to cut down productive Government investment in national resources and public works. To slash Government expenditures now, would add to the downward trend.

Let us take public works, for example. It has been estimated that every billion dollars spent for public works gives employment to 315,000 people, and adds to the income, indirectly, of some 700,000 more. The current budget provides more than $3 billion for public works. These public works are greatly needed improvements. If we cut them out, we would not only hamper the growth of the economy, we would also increase unemployment by about a million persons, and weaken the position of over 2 million more. This would be the most expensive kind of saving I can think of.

The people who unwisely urge that Government expenditures be slashed, are for the most part the very same people who have long been opposing our social programs and our resource development programs. They have resisted such things as social security, housing, the minimum wage law, the public power development, from the very beginning. They have opposed every improvement in those programs.

During an inflationary period, they are against these programs because they say they are inflationary. During a deflationary period, they are against them because they say they are deflationary.

Rain or shine, they are just against 'em.

It was programs like these, for the benefit of the people, that saved business in the thirties, that are supporting purchasing power now, that are laying a foundation for increased prosperity in the future. Most of the people know this, even if the selfish interests don't.

In the long run, these programs are not only necessary for the welfare of the country—they are necessary if we are to balance the budget.

The very heart of sound Government finance is to make the expenditures that are necessary to help achieve prosperity and peace. The items in the budget are consistent with this principle. That is why the Congress, in considering the details of the budget, has not made significant cuts. It has approved the particulars of the budget, item by item, because the Congress knows they are good for the country.

I achieved a budget surplus—before the 80th Congress tax cut—and I intend to achieve another budget surplus.

When we had an excess of receipts over expenditures, we applied it to reduce the national debt. We have already paid off more of the debt than the total size of the national debt after the First World War. In fact, we have paid off more on the national debt than all the Presidents put together!

But you cannot achieve a surplus in the Government budget when you have a declining national economy. A Government surplus and national prosperity go together. The income and the expenditure of the Government are a very important part of the entire national economy. If we follow the wrong budget policy at this time and slash our expenditures, we will decrease employment, cut down investment, weaken our defenses, and injure our efforts for peace.

If we follow the right budget policy, and support the national economy, we can help bring the country back to our normal rate of growth and expansion.

Some of the measures which will be most effective in the present situation have either been enacted or are on their way to final passage. They include the housing program, the agricultural program, and an increase in the minimum wage.

In addition, I have proposed to the Congress in the Economic Report that it take added steps at this time to keep purchasing power up, to aid those who are suffering from unemployment, and to enable us to make plans so that we will be in a position to step up public works activities if they become necessary.

If these measures are adopted, the Government will be in an improved position to play its role in our expanding economy. But changing the course of our present economic situation is also going to require wise action by business, labor, and agriculture. If businessmen, labor, and farmers base their actions now on an expanding economy, we will work our way successfully through the present period of transition.

I have confidence in the unlimited capacity and in the unlimited opportunities of the American economy and the American people. I have confidence in our ability to master the international problems which confront us and to achieve world peace.

I have this confidence because of our achievements in the past and because of the present strength of our institutions.

Above all, I am confident because I believe that Almighty God has set before this Nation the greatest task in the history of mankind, and that He will give us the wisdom and the strength to carry it out.

NOTE: For the President's message to the Congress on the Midyear Economic Report of July 11, 1949, see Item 151.

155 The President's News Conference of *July* 14, 1949

THE PRESIDENT. I have one short announcement to make to you, because I know you will ask some questions about it if I don't announce it.

[1.] [*Reading, not literally*]: "In the recent Economic Report to Congress,[1] I made the following statement."

This will be available for you in mimeographed form when you go out.

[*Continuing reading*] " 'There are a number of Federal programs of direct action or assistance to localities which can be timed and channeled so as to concentrate upon areas where unemployment is heavy, without sacrifice of general national objectives. This principle of wise selectivity is particularly applicable to the procurement and construction activities—' " and so forth.

And I have asked the Assistant to the President, Dr. Steelman, to assume responsibility for directing these activities. I should appreciate the people to whom this goes—all members of the Cabinet, Chairman of the Council of Economic Advisers, Director of the Bureau of the Budget, Chairman of the Atomic Energy Commission, the Administrator for Economic Cooperation, Administrator for General Services, the Administrator, Housing and Home Finance, the Chairman of the United States Maritime Commission—and others—and Dr. Steelman is going to coordinate their activities.

The Secretary of Commerce is making a special investigation now of the various places where there is local unemployment, and this will be coordinated with these boards and bureaus, and we are going to see

[1] See Item 151.

if we can get some direct action on the subject.

Q. Is New England one of those, Mr. President?

THE PRESIDENT. That remains to be seen. We are making the investigation now, and when the Secretary of Commerce makes his report, then they all will be coordinated. If New England is one of them, why it will be——

Q. What funds are involved, Mr. President?

THE PRESIDENT. Just the ordinary appropriations.

Q. Mr. President, you said that it was not justified having a general program——

THE PRESIDENT. That's correct.

Q. ——larger than the one you had set forth?

THE PRESIDENT. That's correct.

Q. Do you intend to go into these areas with a public works program?

THE PRESIDENT. No. This is to ask the regular procurement officers of the Government where they can make purchases, and in localities like this, to do just that. That's what it means.

Q. It doesn't increase the size of the budget, sir?

THE PRESIDENT. No. No, it doesn't. Has no effect on the budget whatever.

[2.] Q. Mr. President, there is going to be a conference called the Bill of Rights Conference in New York this weekend. I wonder if you care to comment on the fact that Clifford Durr, president of the National Lawyers Guild, Henry Wallace, and Paul Robeson say that at that conference they are going to demand an investigation of the FBI?

THE PRESIDENT. They have got a perfect right to make that demand, but I have no comment on anything that that gang would want to do.

Q. What did you say?

THE PRESIDENT. We took care of them in the last election.

Q. Did you say "gang"?

THE PRESIDENT. That gang.

[3.] Q. Mr. President, in the debate now going on in the Senate, Senator Taft has said that the Atlantic Treaty absolutely commits the United States to furnish arms to Europe. Is that your understanding, sir?

THE PRESIDENT. Senator Taft is entitled to his opinion, and I have no comment on his opinion.

Q. What is *your* opinion, sir?

THE PRESIDENT. I have no opinion to express, at the present time.

[4.] Q. Would you care to comment on Senator Wherry's resolution,[2] which specifically——

THE PRESIDENT. I would not.

[5.] Q. Mr. President, is there anything new on steel, please?

THE PRESIDENT. What's that?

Q. Anything new in the steel situation?

THE PRESIDENT. No, no. You have everything on steel that I can comment on, following those telegrams that were sent out last night.[3]

Q. Will you appoint the board tomorrow, Mr. President?

THE PRESIDENT. I will attend to that tomorrow.

Q. Mr. President, Mr. Ross [4] already said so.

[6.] Q. Mr. President, a few weeks ago you said you were in favor of an oil loan for Mexico?

[2] On May 26, 1949, Senator Kenneth S. Wherry of Nebraska introduced a bill "to reduce Government expenditures for the fiscal year 1950, balance the budget, avert an increase in taxes or rise in the national debt, and maintain a sound national fiscal policy as a basis for the security and economic well-being of the United States."

[3] See Item 153.

[4] Charles G. Ross, Press Secretary.

THE PRESIDENT. I know. I am still in favor of it. I am still in favor of it.

Q. Is there any progress that you can tell us about?

THE PRESIDENT. I cannot. I notice you asked that same question of the Secretary of State, and if he can't answer it, of course, I can't.

[7.] Q. Mr. President, in respect to the telegrams to the steel companies, if I may bring that up briefly?

THE PRESIDENT. Sure.

Q. Should there be any breaking of the truce—the 60-day truce—either by the union or the companies, do you feel, sir, that there are Executive powers with which you can enforce that truce period?

THE PRESIDENT. No, there isn't. I am satisfied, though, if they agree to the truce, that it will not be broken.

[8.] Q. Mr. President, it has been reported that you have refused to help in one of the appeals from Frank Hague of New Jersey, and suggested that he jump in the Delaware River?

THE PRESIDENT. It isn't true. That is one out of the whole cloth. No such request has ever been made to me, and I don't interfere in local State affairs, anyway.

[9.] Q. Mr. President, did you ask Mayor O'Dwyer to run again for reelection?

THE PRESIDENT. We did not discuss that subject.

Q. Did you discuss the senatorial race in New York with him?

THE PRESIDENT. Yes, I did. He brought it up.

Q. He brought it up?

THE PRESIDENT. Yes.

Q. Was his possible candidacy for Senator discussed?

THE PRESIDENT. It was not.

Q. Did you ask him here, Mr. President?

THE PRESIDENT. I did not.

Q. Who asked him here?

THE PRESIDENT. He asked himself here, and I was glad to see him. He said he would like to come down and talk to me about New York politics, and that is what he did.

Q. He indicated that you were finished with him in about one minute, when he came out.

THE PRESIDENT. Well, he was in here about 20 minutes. It was a very pleasant meeting with the mayor of the greatest city in the United States. I see all the mayors when they want to come in to see me, and discuss any subject they want to discuss.

Q. Mr. President, did you discuss ex-Governor Lehman?

THE PRESIDENT. Yes, we discussed ex-Governor Lehman. The mayor did. I am not in New York politics.

[10.] Q. Mr. President, while we are on politics, Hugh Scott said this afternoon that he would like to resign [5] but he can't until he can get some harmony in the Republican Party. Is there any advice you have for them?

THE PRESIDENT. The less harmony in the Republican Party the better suited I am. [*Laughter*]

[11.] Q. Mr. President, to get back to Missouri, do you approve of Richard Nacy's [6] lobbying against the southwestern power——

THE PRESIDENT. I certainly do not, and I didn't know he was lobbying against it.

Q. He talked to each of the Missouri delegates——

THE PRESIDENT. It didn't have any effect on

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[5] On July 18, 1949, Representative Hugh D. Scott, Jr., of Pennsylvania announced that he would resign from his position as chairman of the Republican National Committee. The resignation became effective on August 4.

[6] Richard R. Nacy, banking executive and a member of the Missouri State Democratic Committee from the Second District.

them, I can assure you of that——

Q. It may get back there.

THE PRESIDENT. ——I can assure you of that.

[12.] Q. Mr. President, will you go ahead and appoint this steel factfinding board,[7] in the event that United States Steel, Republic, and Bethlehem turn it down?

THE PRESIDENT. I will meet that situation when it confronts me.

Q. Mr. President, have you heard from United States Steel since last night?

THE PRESIDENT. No, I have not.

Q. Have you heard from anybody in response to those telegrams?

THE PRESIDENT. No. I have no answers from them, as yet. They have to deliberate on it a little while.

Q. Would you like to tell us whether you think there will be a steel strike or not?

THE PRESIDENT. No, I don't think I ought to comment on it until I find out whether my effort to prevent a work stoppage works.

[13.] Q. Mr. President, would you care to comment on your invitation to a group of Congressmen to meet here at 5 o'clock this afternoon at the Blair House?

THE PRESIDENT. I don't know that any group is going to meet me at 5 o'clock this afternoon. If they are, I haven't heard about it.

Q. It is supposed to be the Atomic Energy Committee from Capitol Hill, Mr. President?

THE PRESIDENT. I am having a conference this evening at the Blair House with a bunch of people that I have called in,[8] but there is nothing to comment on.

Q. Mr. President, would it be that same group?

THE PRESIDENT. It might be. [*Laughter*]

[14.] Q. Mr. President, this is not an obvious question. Would you prefer or hope that the North Atlantic Treaty could be adopted or ratified without any reservations?

THE PRESIDENT. Of course it should be.

Q. Without what?

THE PRESIDENT. Without reservations.

[15.] Q. Mr. President, assuming that there is a steel strike in the big three or the big four steel companies, and the others operate through some sort of *modus vivendi,* would you consider that a national emergency under the Taft-Hartley Act?

THE PRESIDENT. That matter will have to be met when the situation develops. An emergency would not develop under the Taft-Hartley Act in the case of a total steel strike for some time. I was merely trying to avoid a work stoppage and see if we couldn't negotiate an agreement. It has been customary for Presidents in times past, and for the Secretaries of Labor in times past, and for the Conciliation Commissions, to appoint these factfinding boards. It is nothing new.

Q. Well, I have in mind statements that Senator Taft has made repeatedly, that he thought there was only one real national

[7] On July 15, 1949, the President appointed a three-member factfinding board to review the steel dispute and report back to him within 45 days from July 16. The deadline was later extended to September 10 by the President's letter of August 26 to the chairman of the board, Carroll Daugherty. The board was composed of Mr. Daugherty of Evanston, Ill., David L. Cole of Paterson, N.J., and Judge Samuel I. Rosenman of New York City. The board's report, submitted to the President on September 10, 1949, is entitled "Report to the President of the United States on the Labor Dispute in the Basic Steel Industry" (Government Printing Office: 1949, 83 pp.).

[8] According to newspaper reports on the following day, the information that a meeting was to be held sometime during the evening of the 14th at the Blair House became known that afternoon. The meeting dealt with the question of British and Canadian participation in the atomic energy program. See also Items 161 and 166.

emergency under the Taft-Hartley Act, in the sense that the authors of that understood *national emergency,* and that was the first coal strike?

THE PRESIDENT. Well, I think we acted in the first coal strike after 5 weeks. The emergency did not develop for 5 weeks, until the coal was all used up, if I remember correctly.

Q. Yes, but there were several others where national emergency action was taken, and Senator Taft has indicated that he did not——

THE PRESIDENT. What were the others? I don't remember the others, except the railroad strike, and when there is a strike in the railroads, it is an emergency the next day, you all know that.

Q. Four maritime strikes, one on meat packing, one in communications——

THE PRESIDENT. Well, it took sometime for the emergency to develop, and when the emergency comes about and it is the belief of the President that there is a national emergency, he usually declares it under the law. That's the rule I have been following. I don't care what his point was.

[16.] Q. Mr. President, do you regard John L. Lewis and his 3-day week as a burden and restriction on production?

THE PRESIDENT. I have no comment on that, Miss May.[9]

[17.] Q. Mr. President, on the question of Hawaii, Senator Thomas of the Labor Committee has said that he thinks the government out there has full powers to deal with the strike, and should do so. Do you share that opinion?

THE PRESIDENT. I have no comment on that.

[18.] Q. Mr. President, there is a report from the Hill today that you plan to submit very shortly the reorganization plan involving the defense establishment. Is that so?

THE PRESIDENT. We have been working on it—trying to get it ready.

Q. Is that when you will submit the military assistance program?

THE PRESIDENT. I have not anything of the kind in contemplation at this moment.

Q. Is that in the form of an Executive order, Mr. President, regarding unification?

THE PRESIDENT. It is the same sort of reorganization plan as any other reorganization plan would be, worked in exactly the same way. It will be in the form of an Executive order and will be sent to the Congress; and if it stays in for 60 days and is not voted down, it will be the law.

Q. That is the armed services unification——

THE PRESIDENT. Yes, that's right.

Q. Mr. President, does it carry out the rough approximate division of the bill that was brought up—[*inaudible*]

THE PRESIDENT. It is not in its final form yet. If I send a reorganization plan down, it will be one which I approve.[10]

[19.] Q. Mr. President, the Appropriations Committee tentatively made quite drastic cuts in appropriations for the Atomic Energy Commission. Would you care to comment on that at all?

THE PRESIDENT. I don't think that's final——

Q. No, it isn't as yet.

THE PRESIDENT. ——and I can't do anything about it.

Q. Will you do anything to see that it doesn't become final?

THE PRESIDENT. I am doing the best I can to see that it doesn't become final.

[20.] Q. Mr. President, the House to-

[9] Mrs. May Craig of the Portland (Maine) Press Herald.

[10] See Item 158.

day passed the overtime-on-overtime bill with retroactive features. Do you care to say whether you intend to sign or veto the measure, sir?

THE PRESIDENT. I haven't seen it, and I will have to have it analyzed by the Attorney General and by the interested departments before I can make comment on it.[11]

[21.] Q. Mr. President, are you satisfied with the conduct of the Hiss trial by Judge Kaufman?

THE PRESIDENT. I think that Judge Kaufman is a good judge. I appointed him to the bench, and I think he has acted all right. I don't think it's a very good idea to discredit the courts; and my authority for that statement is Mr. Bob Patterson, who was my Secretary of War.

[22.] Q. Mr. President, do you care to comment on the recent meeting of the President of the Philippines and General Chiang Kai-shek?

THE PRESIDENT. No. No, I can't comment on that.

[23.] Q. Mr. President, will you approve the $50 million out of ECA for aid to Franco?

THE PRESIDENT. I would not. Period.

Q. What was that figure?

THE PRESIDENT. Fifty million for Franco.

Q. Does that mean you would veto the ECA appropriation?

THE PRESIDENT. I will attend to that when it comes before me. I can't veto a bill by voice vote.[12] [*Laughter*]

Q. Would you say why, Mr. President?

THE PRESIDENT. Because we are not on friendly relations with Spain at the present time, and there is a certain way in which that situation can be developed. If the other European countries vote to take Spain in, and they can convince us that Spain is to come in, that's a different matter. The matter has been put up to that European organization by Portugal sometime ago, and no action has ever been taken on it.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's one hundred and eighty-ninth news conference was held in his office at the White House at 4 p.m. on Thursday, July 14, 1949.

[11] On July 20, 1949, the President signed H.R. 858, "A bill to clarify the overtime compensation provisions of the Fair Labor Standards Act of 1938, as amended" (Public Law 177, 63 Stat. 446).

[12] On October 6, 1949, the President signed the Foreign Aid Appropriation Act of 1950 (63 Stat. 709).

156 Memorandum to Agency Heads on the Channeling of Federal Procurement, etc., Programs to Areas of Economic Distress. *July* 14, 1949

To members of the Cabinet, Chairman, Council of Economic Advisers, Director, Bureau of the Budget, Chairman, Atomic Energy Commission, Administrator for Economic Cooperation, Administrator for General Services, Administrator, Housing and Home Finance Agency, Chairman, United States Maritime Commission, Chairman, Reconstruction Finance Corporation, Chairman, Board of Directors, Tennessee Valley Authority, Administrator, Veterans Administration, Administrator, Federal Security Agency:

In my recent Economic Report to the Congress, I made the following statement:

"There are a number of Federal programs

of direct action or assistance to localities which can be timed and channeled so as to concentrate upon areas where unemployment is heavy without sacrifice of general national objectives. This principle of wise selectivity is particularly applicable to procurement and construction activities, but it is also relevant to other grant or loan programs designed to stimulate private enterprise or to effect public improvements. Toward this end, I am directing that a continuing review of such activities be undertaken within the Executive Office, in order to coordinate planning, to keep the various types of activity and their geographic distribution in proper balance and readiness, and to focus emphasis upon alleviating unemployment in particular areas where it becomes serious before it has a chance to spread. I am also having a study made of possible changes in the laws governing these activities which may be needed for these purposes."

I have asked the Assistant to the President, Dr. John R. Steelman, to assume responsibility for directing these activities. I should appreciate your assisting him by making available all relevant information regarding the activities of your agency, together with such specialized staff assistance as he may require.

I shall also appreciate your cooperation with Dr. Steelman in taking actions to modify, within the limits of existing law, the procurement, construction, and other activities of your agency where it is determined to be feasible, in order to alleviate serious unemployment in particular localities.

HARRY S. TRUMAN

NOTE: On August 9 the White House released a letter from Dr. Steelman to agency heads listing the labor market areas in which unemployment was high and requesting them to channel construction and procurement into such areas.

In a report to the President released December 1, Dr. Steelman made the following statement:

"During most of July, August, and September, attention was directed to 32 areas in 14 States where unemployment had reached 12 percent or more of the total labor force. In September, three new areas were added. Of these 35, only 10 are classified as major labor market areas, while the remaining 25 are of limited population—under 200,000 and 90 percent was spread over the country at a lesser percentage rate."

157 Statement by the President Upon Signing the Housing Act of 1949. *July* 15, 1949

I HAVE today approved the Housing Act of 1949.

This far-reaching measure is of great significance to the welfare of the American people. It opens up the prospect of decent homes in wholesome surroundings for low-income families now living in the squalor of the slums. It equips the Federal Government, for the first time, with effective means for aiding cities in the vital task of clearing slums and rebuilding blighted areas. It authorizes a comprehensive program of housing research aimed at reducing housing costs and raising housing standards. It initiates a program to help farmers obtain better homes.

The Housing Act of 1949 also establishes as a national objective the achievement as soon as feasible of a decent home and a suitable living environment for every American family, and sets forth the policies to be followed in advancing toward that goal. These policies are thoroughly consistent with American ideals and traditions.

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They recognize and preserve local responsibility, and the primary role of private enterprise, in meeting the Nation's housing needs. But they also recognize clearly the necessity for appropriate Federal aid to supplement the resources of communities and private enterprise.

I take deep satisfaction in the successful conclusion of the long fight for this legislation. I know this satisfaction is shared by the Members of Congress of both political parties, and by the many private groups and individuals, who have supported this legislation over the past 4 years against ill-founded opposition.

The task before us now is to put this legislation into operation with speed and effectiveness. That task presents a great challenge to the executive branch of the Federal Government, to local governments, and to industry and labor. While this act authorizes programs which will take a number of years to complete, in the light of the present serious needs for low-cost housing and slum clearance, and of the present period of economic transition, we should cut to a minimum the time necessary to initiate these programs.

Accordingly, I have directed the Housing and Home Finance Administrator and the Secretary of Agriculture to make special efforts to place these programs into operation as rapidly as possible. I am submitting to the Congress immediately a request for the additional appropriations which will be required in the present fiscal year.

Furthermore, since the low-rent housing and slum clearance programs depend upon local initiative, I urge State and local authorities to act speedily.

This legislation permits us to take a long step toward increasing the well-being and happiness of millions of our fellow citizens. Let us not delay in fulfilling that high purpose.

NOTE: The Housing Act of 1949 is Public Law 171 (63 Stat. 413).

158 Message to the Congress Transmitting Reorganization Plan 8 of 1949: Department of Defense. *July* 18, 1949

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 8 of 1949, prepared in accordance with the provisions of the Reorganization Act of 1949.

This plan is designed to make urgently needed changes in the administration of the National Military Establishment and other agencies created by the National Security Act of 1947.

That Act failed to provide for a Department of Defense and for a fully responsible official with authority adequate to meet his responsibilities, whom the President and the Congress can hold accountable. The Act also failed to provide the basis for an organization and a staff adequate to achieve the most efficient and economical national defense program, and to attain effective and informed civilian control of the armed forces of the United States.

On March 5, 1949, I recommended to the Congress that the National Security Act of 1947 be amended to strengthen and clarify the position of the Secretary of Defense and to provide him with more adequate staff assistance in the performance of his responsibilities. My recommendations were made on the basis of our experience under the Act, the recommendations of the First Secretary

of Defense, and the extensive study given to this matter by the Commission on Organization of the Executive Branch of the Government.

Since my message of March 5, the Senate has considered the organization of the National Military Establishment and has passed S. 1843 which embodies most of my recommendations. In the House of Representatives consideration has been given to the Senate bill in committee. The measure reported, however, deals only with a limited part of the Senate bill.

The House bill deals with organizational and procedural arrangements for developing and executing the budget. It also provides greater flexibility with regard to methods of financing and accounting for certain complex operations. These are worthwhile improvements and should be of help in obtaining the efficiency and economy which the entire legislation is designed to bring about.

The pending House bill, however, deals only with the mechanics of finance and budgeting and does not deal with many basic factors of managing the department which would so largely determine the content of the budget. There is also a defect in the proposed bill, in that it would vest by statute, specific functions relating to financial management in a subordinate official of the department and then make that official an appointee of the President. This is a detraction from the responsibility of the Secretary. It departs both from our present practice and from the principles of departmental management stated by the Commission on Organization of the Executive Branch, with which I am in agreement. I cannot support budgetary or other control systems which fail to confer responsibility in a clean-cut manner and which present possible obstacles to effective administration.

On June 20 the Reorganization Act of 1949 became law. That Act provides that the President may submit plans to Congress to improve the organization of the Executive Branch and lead to increased economy and efficiency. As my message of March 5 indicated, I place a very high priority upon action to improve our defense organization. It is a vital area of governmental activity. It accounts for nearly one-third of our Federal expenditures.

While it is not possible by reorganization plan to accomplish as broad a reorganization of the National Military Establishment as I have recommended, a number of important improvements can be made by proceeding under the Reorganization Act of 1949.

Plan No. 8 of 1949 converts the National Military Establishment into the Department of Defense. The Secretary of Defense as the head of the Department of Defense will exercise authority, direction and control over the department. Subject thereto, the Departments of the Army, Navy, and Air Force will continue to be administered as executive departments by their respective Secretaries. The plan does not change, or authorize the Secretary of Defense to change, the statutory assignment of combatant functions, roles and missions to the Army, the Navy, and the Air Force.

The plan provides for the office of Deputy Secretary of Defense, in place of the present position of Under Secretary, and also provides the Secretary of Defense with three Assistant Secretaries of Defense. It will provide for a Chairman of the Joint Chiefs of Staff. It will provide for a Personnel Policy Board, on the same organizational basis as the Munitions Board and the Research and Development Board. It will remove the onerous restrictions and limitations imposed on the Secretary of Defense by the National Security Act which are in-

appropriate to his status as head of the Department of Defense. It will make the Secretary of Defense the sole representative of the Department of Defense on the National Security Council. Since it is impossible to provide by reorganization plan for budgetary and other fiscal arrangements along the lines provided in the Senate and House bills, and since both Houses of the Congress have taken action on this matter, I have excluded the entire subject matter of Title IV of S. 1843 from the reorganization plan.

I have found that each reorganization contained in the accompanying plan is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949. I have also found and hereby declare that by reason of the reorganizations included in this reorganization plan, it is necessary to make provision for the appointment and compensation of a Deputy Secretary of Defense, three Assistant Secretaries of Defense, a Chairman of the Joint Chiefs of Staff, and a Chairman of the Personnel Policy Board. The compensation of each of these officers is fixed at a rate not in excess of that which I have found to prevail in respect of comparable officers in the Executive Branch of the Government. The functions of the Secretaries of the Army, Navy, and Air Force as members of the National Security Council, and their functions with respect to reporting directly to the President and the Budget Director, provided for in sections 101(a) and 202(a) respectively of the National Security Act, are abolished by the provisions of the plan.

The important results which will flow from the reorganizations set forth in the plan will be more effective civilian authority and control over the military forces, more efficient and economical administration of the Department of Defense, and better inter-service relationships. This will pave the way for the lowest possible expenditures for the national defense consistent with the national security. It is probable that it will result in very substantial reductions in expenditures.

I am submitting Reorganization Plan No. 8 at this time for two reasons. First, to emphasize the importance I attach to this matter and to take action by all means at my command to secure prompt action. Second, to provide a sure means whereby all the members of Congress will be able to vote on the question of improving our defense organization in the event that adequate legislation is not developed through the usual legislative processes.

I have not previously submitted a reorganization plan on this matter because I believe that a more appropriate reorganization can be accomplished by legislation. Only by legislative action can the Department of Defense be placed in the proper relation to the military Departments of Army, Navy, and Air Force. While this issue cannot be fully dealt with by reorganization plan, all of the other matters included in my recommendations of March 5 can be effected by plan. Reorganization Plan No. 8 would thus represent a major improvement over our present arrangements. It would clarify and strengthen the responsibility and authority of the Secretary of Defense and would give him better military and civilian staff assistance to accomplish his important duties.

In the event that the changes I recommended to the Congress in March are not effected by statute at this session, then those changes which can be put into effect by reorganization plan should be made. I am primarily interested in achieving some worthwhile results in improving the organization of the defense establishment at the earliest possible time.

Whether the reorganization comes about

through legislation, which I would prefer, or by reorganization plan, it should deal adequately with the subject and provide for clear lines of responsibility and authority. This does not mean the creation of one-man rule or dictatorship. Our Constitutional system is the best possible safeguard against that eventuality. It does mean, however, that we can receive full value from the dollars which go for defense and that the Government's activities in this important area will be more effectively planned and managed.

I again urge the Congress to strengthen our defense organization which is so vital to the security of this Nation and the peace of the world.

HARRY S. TRUMAN

NOTE: Reorganization Plan 8 of 1949 was disapproved by section 12(i) of the National Security Act Amendments of 1949 (63 Stat. 592). For the statement by the President upon signing the act on August 10, see Item 177.

159 Address in Chicago Before the Imperial Council Session of the Shrine of North America. *July* 19, 1949

Imperial Sir, nobles and ladies, distinguished guests, neighbors from our North and South, fellow Americans:

I am happy to be present at this Imperial Council Session of the Shrine of North America, and to participate in your Diamond Jubilee celebration.

Among the many activities of the Shrine that have contributed to progress, I have always been especially interested in their program to aid crippled children. It seems to me that this program illustrates one of the best features of our way of life—concern for the unfortunate without discrimination as to race, color, or creed.

The people of the United States have never limited this attitude of concern for their fellowmen to the boundaries of our own country. As the activities of the Shrine in Mexico and Canada demonstrate, we join with the people of other countries in the relief of human suffering. Especially since the end of the war, Americans, through their churches and other organizations, and as individuals, have extended the hand of help and friendship to the unfortunate of many lands. Never before in the history of the world has the victor helped the vanquished as has this country helped its enemies after this war ceased.

We do this because we think of the people of other countries as human beings, not as pawns in the game of power politics.

During the war we established warm ties of comradeship and common purpose between ourselves and other peoples in the struggle against tyranny. We hoped that an enduring peace could be built on these ties of friendship. In part, these high hopes have not been realized. Leaders of some nations have cut off communications and built barriers of suspicion between their people and the outside world.

But, in spite of this, there persists in this country a sincere feeling of friendship and sympathy for those peoples who have been cut off from us by force of political intrigue. We are convinced that if they were permitted to know the facts they would return our friendship.

We shall therefore continue our efforts to help them to learn the facts. We believe that the people of the world should have the facts, not only about ourselves, but about

all the things that concern them most deeply. Only if men know the truth are they in a position to work for a stable and a peaceful world.

In this country, where the facts are readily available, we have a special obligation to inform ourselves concerning world affairs and important international issues.

This is vitally important if our country is to carry out the responsibilities of world leadership that it has today. For, in this Nation, foreign policy is not made by the decisions of a few. It is the result of the democratic process, and represents the collective judgment of the people. Our foreign policy is founded upon an enlightened public opinion.

The importance of public opinion in the United States is not always understood or properly evaluated. Public opinion in a country such as ours cannot be ignored or manipulated to suit the occasion. It cannot be stampeded. Its formation is necessarily a slow process, because the people must be given ample opportunity to discuss the issues and reach a reasoned conclusion. But once a democratic decision is made, it represents the collective will of the Nation and can be depended upon to endure.

Those who rule by arbitrary power in other nations do not understand these things. For this reason, they do not realize the strength behind our foreign policy.

The major decisions in our foreign policy since the war have been made on the basis of an informed public opinion and overwhelming public support.

For example, in 1945 the people of our country were almost unanimously in favor of our participation in the United Nations. The Senate reflected that public sentiment when it approved the charter by a vote of 87 to 2.

In 1948, after almost a year of discussion and debate, it was clear that a substantial majority of the people of this Nation approved our participation in the European recovery program. The Congress translated that approval into legislative action by a vote of approximately 4 to 1.

Our people continue to support the United Nations as fully as they did 4 years ago, in spite of the fact that some nations have obstructed its work through the misuse of the veto. We want to improve the United Nations. This desire was expressed in Senate Resolution 239, which called for the strengthening of the United Nations and the development of regional and other arrangements for the mutual defense of free nations. This resolution was approved by the Senate last year by a vote of 64 to 4.

As a means of carrying out these desires of the people for stronger support of the principles of the United Nations, the North Atlantic Treaty has been negotiated and is before the Senate. The Senate is now engaged in discussing the treaty with the deliberation and close attention that is part of the democratic process. All points of view have been made known. Public opinion among our people is overwhelmingly in favor of ratification of the treaty, and I am very sure that the Senate will give it its approval.

These momentous decisions are the decisions not of the Government alone, but of the people of the United States. For this reason, it is clear that this country will steadfastly continue, together with other nations of like purpose, along the path we have chosen toward peace and freedom for the world.

The formation of foreign policy on the part of the democratic nations may be a slow and painful process, but the results endure.

It is only in the totalitarian states, where all decisions are made by a few men at the

top, that foreign policies can be reversed or radically altered in secrecy, or changed abruptly without warning. Between totalitarian states, disagreements can suddenly become open conflicts, and allies can change into enemies over night. The democratic nations, by contrast, because they rely on the collective judgment of their people, are dependable and stable in their foreign relations.

Today, the great quest of mankind is for a world order capable of maintaining world peace.

Just as the democratic nations formulate their foreign policies after due consideration for the opinions of their citizens, so they formulate their plans for international order with due regard for the independence and sovereignty of other nations.

The kind of world organization for which this Nation and other democratic nations are striving is a world organization based on the voluntary agreement of independent states.

We are familiar, in our own history, with this kind of organization. Our country began as a federation—an association of local democratic sovereignties within a larger whole. The existing states, whether large or small, were brought together on the basis of voluntary agreement.

This principle of mutual respect and voluntary agreement is essential to the creation of a strong world organization for maintaining a just and lasting peace. In this respect, associations of nations are like associations of individuals—they will not survive and prosper unless the rights and the integrity of its members are respected.

This is the principle on which the United Nations is based. The United Nations is designed to give every nation a share in forming decisions on world issues. Such an organization will have its difficulties. We all know, from our own experience in business, in unions, in cooperatives, or fraternal groups, how much hard work and honest give and take is required to make this kind of organization successful. But we also know that in the long run an organization based on voluntary agreement among its members will command greater loyalty, speak with greater authority, and have a greater chance for success than any other kind. We must therefore continue to support and continue to improve the United Nations, as the way to lasting peace.

In contrast to the United Nations is the concept of a world order based on the rule of force. In the past, attempts to organize the world by force have always failed. The most recent failure was the attempt of Nazi Germany to establish European unity through the rule of force. This attempt to create an empire by conquest lasted only a few years.

In spite of the record of history, the leaders of some nations today appear still to be relying on force as a method of world organization. Their doctrine calls for the destruction of free governments through the use of force and the effort to create class warfare. To achieve their aims, they make a false appeal to men's sense of justice; they play upon the common desire of men to improve their conditions of life.

But, in practice, this system of world organization is no better than the old tyrannies that have failed. It is incapable of satisfying the needs and desires of men for a better life. In its inner structure, it manifests the fatal weaknesses of all dictatorships. Within the circle of its control today, tensions and conflicts appear to be increasing. It may have temporary triumphs, but in the long run it must either destroy itself, or abandon its attempt to force other nations into its pattern.

Some people would have us believe that

war is inevitable between the nations which are devoted to our concept of international organization and the concept which now bears the name of communism. This is not the case. I am optimistic as I look toward the future, because I believe in the superior attraction for men's minds and hearts of the democratic principles which have been tried and tested in free nations, and which are now winning the allegiance of men throughout the world.

In the battle for men's minds our faith is more appealing, more dynamic, and stronger than any totalitarian force. The world longs for the kind of tolerance and mutual adjustment which is represented by democratic principles.

This country has had a revolutionary effect in the world since it was founded. Our democracy was born in a world of absolute monarchies. The idea which we made a living reality spread throughout the world and brought the day of absolute monarchy to an end. We have always been a challenge to tyranny of any kind. We are such a challenge today.

Our idea prevailed against the absolute monarchies of the 19th century. It is prevailing today against the new and more terrible dictatorships of the 20th century.

The reason is clear. Our idea of democracy speaks in terms which men can understand. It speaks of opportunity and tolerance and self-government. It speaks of the dignity of the individual, his freedom of conscience and the right to worship as he pleases. It does not exact blind loyalty to false ideas or improbable theories. It does not make a god out of the state, or out of man, or out of any human creation.

The world is tired of political fanaticism. It is weary of the lies, propaganda, and hysteria created by dictatorships. It is disgusted by the practice of torture and political assassination. It is sick of the kind of political allegiance which is inspired solely by fear.

Men want to live together in peace. They want to have useful work. They want to feel themselves united in brotherly affection. They want to enjoy that great privilege—a privilege denied to millions throughout the world today—the right to think their own thoughts and to have their own convictions.

These desires of mankind are satisfied by the democratic principles which we have put into practice. These principles are at work today as they were in the past. In the conflict that exists throughout the world, these are our greatest advantages. They should give us confidence that we shall eventually succeed in establishing the kind of international organization to preserve the peace for which men yearn.

In working toward this goal, we must act wisely and steadfastly. We must realize that many dangers yet lie ahead, and that there are many tasks and problems which will be difficult to master. We must also preserve in this country full enjoyment of these basic democratic principles which are our greatest assets.

In this period of history when our country bears the major responsibility for world leadership, our domestic and foreign policies are inseparable. We must maintain a strong and stable economy as the basis of our own well-being and as the primary source of strength of the free world. We must also support economic health and democratic ideals in other countries, if we ourselves are to remain strong and prosperous.

Both these objectives require action now.

We must take proper steps to see that our economy moves safely through the present transition period, and that employment and production start expanding again. If we were to make our plans on the assumption that employment and production will

get smaller, we would only make matters worse, and waste much of our potential economic strength. What we must do, instead, is to make all our plans, private and public, in such a way as to give us more jobs and more output. This is the way toward a stronger economy.

Furthermore, we must take action to insure that the hard-won economic recovery of other free nations does not revert to stagnation and despair. One of the most foolish things we could do right now would be to slash our appropriations for European recovery. If we did that, we would be deliberately throwing away gains for peace and freedom that we have painfully made. Only the Communists would profit if we took such a short-sighted course.

We have been making progress in working toward peace and freedom because we have been willing to make the investment that was necessary. It would be disastrous now to change our policy and settle for halfway measures.

It would be disastrous to lose or impair the understanding and support we have gained among the other democratic peoples. These are priceless assets in the great task of constructing a peaceful and orderly world.

The kind of peace we seek cannot be won at a single stroke or by a single nation. Peace worthy of the name can be assured only by the combined effort of many peoples willing to make sacrifices in the cause of freedom.

The peoples of the world look to the United States for the leadership in this great crusade for peace. We have not taken up this task lightly, and we will not lay it down.

We must go resolutely forward, step by step, toward the creation of a world in which we, and all people, can live and prosper in peace.

NOTE: The President spoke at 4 p.m. at Soldier Field in Chicago, Ill. His opening words "Imperial Sir" referred to Galloway Calhoun of Tyler, Tex., the retiring Imperial Potentate of the Shrine of North America. The address was broadcast over the radio.

160 Remarks in Chicago at the Shriners Diamond Jubilee Banquet. *July 19, 1949*

Imperial Sir, distinguished guests:

I have been President of the United States since the 12th of April 1945, about 4 years and 3 months—a little over—and that's the "derndest" introduction I ever heard. I didn't know I would live to hear my epitaph in public, with me right there. And I appreciate it. It pleased me immensely. I didn't know I was all those things, but I hope, Galloway, that I will stay that way in your book.

I appreciate most highly the courtesies which have been extended to me today, particularly the courtesy which United States Senators pray for all their lives and hardly ever get: to make three speeches in one day in one city. I can say that, because I know the psychology of a United States Senator. I was one for 10 years. And I am not reflecting on them, I am just telling you what my own experience is.

Our organization is one of the great contributors to mutual understanding in this great country of ours. You know, we have come a long way from 1789, from thirteen independent colonies to the greatest and most

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powerful nation in the world in that time—in 160 years. It seems almost incredible. It took Rome more than a thousand years to arrive at that situation. It took Britain more than a thousand years to become one of the great powers.

We have assumed the responsibility, and we are assuming it now. We missed the boat 30 years ago, but we are assuming the responsibility which God Almighty intended that we should assume at that time 30 years ago. It is necessary that we do assume that responsibility for the welfare of the world in generations to come. Had we failed to assume that responsibility, the only thing left for us would be to crawl into our shells and prepare for the destruction of the world, and ourselves with it.

In 1945, on the 12th day of April, we were in the midst of two of the most terrible wars that have ever been fought—*the* two most terrible wars ever fought in the history of the world; one in the Atlantic in Europe, and the other in the Pacific and the Southwest.

On the 8th day of May—to be accurate the 7th day of May, because it was not announced until the 8th, a day which happened to be my birthday—the German dictatorship folded up. There was wild rejoicing all over this country.

On the 2d day of September, on the battleship *Missouri*—a battleship which was christened by my daughter Margaret—the Japanese Government signed an unconditional surrender.

The first decision I had to make on the night of April the 12th was on the conference of the United Nations which met in San Francisco on the 25th day of April, and worked out a document for world peace. In ages to come it will be considered one of the greatest documents that the human mind has ever conceived.

I felt, when we had adopted that document, and when hostilities had ceased, that we would arrive at that peace for which we all had prayed since 1941.

It didn't come. It didn't come.

For we found that we had an ally, an ally whose habit it is, and whose habit it has been since 1917, to make agreements for the purpose of breaking them.

Now it is absolutely necessary that we assume the leadership among the democracies of this world, so that there will be enough force in this world to maintain the peace.

That is all we are trying to do.

In 1945, beginning on the 30th day of June, the budget for 1946 called for $103 billions. When Japan folded up after the 2d day of September, I canceled $60 billion worth of war contracts in October, and made a rescission of expenditures of $63 billion. Now those are fantastic sums which you cannot comprehend or appreciate, unless you are at the core of the operation of the Government of the United States.

We thought that we would eventually have expenditures down to the point where we could stand it. And then came the cold war—and the European recovery program. All I have asked is that we take one-third—less than one-third—of the cost of cancellation of $60 billion worth of contracts, and revive Europe and Asia for peace. That is all we are asking for. That is all we are asking.

And I am saying to you, which is better, to spend 3, or 4, or 5 billions a year for peace, or to spend a hundred billion dollars a year for another war?

That's all the difference there is. We have got to make up our minds to one or the other.

We are not going to do the one, and we are not going to do the other. We are

going to maintain the peace and make the United Nations a going and militant organization for the welfare of the world as a whole.

And we are approaching that situation.

I urged this great Nation and the world today, when I was talking to you at Soldier Field, to go forward with that program and carry it to a successful conclusion.

And I know very well that is exactly what we are going to do.

Thank you very much.

NOTE: The President spoke at 11:15 p.m. in the Grand Ballroom of the Stevens Hotel in Chicago, Ill. His opening words "Imperial Sir" referred to Galloway Calhoun of Tyler, Tex., the retiring Imperial Potentate of the Shrine of North America.

The third speech of the day referred to by the President consisted of informal remarks at a reception given by Jacob M. Arvey, chairman of the Cook County Democratic Committee, held at the Stevens Hotel. The President spoke at 6:50 p.m. at the reception. The text of the remarks was not released by the White House.

161 The President's News Conference of *July* 21, 1949

THE PRESIDENT. I have one announcement to make. Tony,[1] I will make it slowly, so that you can get it down.

Q. Thank you, sir. [*Laughter*]

[1.] THE PRESIDENT. I am appointing Philip M. Kaiser as Assistant Secretary of Labor.

Mr. Kaiser is presently Director of International Affairs of the Department of Labor.

That's all the announcements I have, gentlemen—and ladies.

Q. Do you know where he is from?

THE PRESIDENT. He lives now in Virginia. Came from Brooklyn originally, I think.

Q. Will you have announcement soon, on the Assistant Secretary of Agriculture, Mr. President?

THE PRESIDENT. Yes, I imagine so.

[2.] Q. Mr. President, can you give us any information on what is going on on the atomic foreign policy?

THE PRESIDENT. No, I can't.

Q. Mr. President, suppose you were a newspaper reporter and you were writing all this stuff, would you give us a little advice as to what is the relative importance of the story?

THE PRESIDENT. It is relatively unimportant. You see, it has been a habit of mine to hold conferences in the White House and in the Blair House on various subjects that affect the welfare of the country, and that has been going on for 4 years. And these conferences are on my personal invitation. This is the first occasion on which one of the persons who has been invited has leaked the fact to people that he was coming to the White House to see the President. I didn't like it, and I still don't like it.

Q. Well now——

THE PRESIDENT. I shall continue to have those conferences whenever I feel like it, and they will continue to be off the record.

Q. A very friendly and valuable suggestion, and my impression is that they overheadlined and over-played it, is that a fact?

THE PRESIDENT. That is absolutely true. That is absolutely true. And eventually the facts will come out, and you will find it is nothing to be alarmed about, and that there is no deep, dark secret in connection with it. Just merely the President having a con-

[1] Ernest B. Vaccaro of the Associated Press.

ference of some of his top advisers on a subject in which he was interested.

Q. Deep, dark—what was that, sir?

THE PRESIDENT. No deep, dark secret.

Q. Was what Tydings said about it later erroneous?

THE PRESIDENT. I have no comment to make on it. That is as far as I am going. I just won't answer any questions about it at all.

Q. Mr. President, when you say relatively——

THE PRESIDENT. I'll just "no comment" them all.

Q. ——relatively unimportant, does—you mean the meeting?

THE PRESIDENT. Yes, that's right. All subjects are important when the President calls a conference on them, but the meeting was relatively unimportant.[2]

[3.] Q. Mr. President, 52–20 unemployment compensation expires Monday. You asked for extension of it in your message.

THE PRESIDENT. That's right.

Q. Do you have in mind any special steps to get action to Congress before Monday?

THE PRESIDENT. No.

Q. In the future?

THE PRESIDENT. No. I sent a message down, that's all the information I have to give them at the present time.

[4.] Q. There has been some suggestion, sir, that you might ask Congress again for that sesquicentennial money, with the assurance this time that it would be granted. Is there anything you can say about that?

THE PRESIDENT. No, but I intend to ask the Congress again to make an appropriation for the sesquicentennial. They should make the appropriation, and I hope they will.

Q. $3 million?

THE PRESIDENT. Whatever it was they asked for. I think it was $3 million. I sent down a request for whatever the amount was. I believe it was $3 million.

[5.] Q. Mr. President, have you asked Secretary Johnson and others to proceed with the five percenter inquiry, as it is called?

THE PRESIDENT. I have in the beginning told the War Assets Administration, and the Maritime Administration, and the military, always to be very careful in the letting of contracts, and to be sure that every contract is properly investigated. That was my business in the Senate, to make that sort of investigation, and there were no particular instructions given to anybody that have not been in force right along.

Q. Mr. President, have you——

THE PRESIDENT. It has been customary.

Q. ——I beg your pardon.

THE PRESIDENT. Go ahead.

Q. Have you consulted with Senator Hoey in support of his investigation?

THE PRESIDENT. No, I have not. It hasn't been necessary.[3]

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[2] In the President's news conference held on July 14, a question had been raised concerning whether or not a meeting was scheduled to be held that evening at the Blair House. At that time the President gave only guarded confirmation of the report.

According to newspaper reports made on July 15, the information that a meeting was to be held sometime during the evening of the 14th at the Blair House became known during that afternoon. The source of the information was not identified.

Senator Millard Tydings of Maryland, Chairman of the Senate Armed Services Committee, was reported to have left the meeting early and to have been asked whether the question of Russia and the atomic bomb had been dealt with. The Senator was quoted as having replied "I wouldn't think so."

At his news conference held on July 28 the President read a statement regarding the meeting held on the evening of the 14th (see Item 166).

[3] Senator Clyde R. Hoey of North Carolina, Chairman, Senate Investigations Subcommittee of the Committee on Expenditures in the Executive Departments. The subcommittee hearings, entitled "Influence in Government Procurement," were published by the Government Printing Office (1949, 769 pp.).

Q. General Vaughan was mixed up in a lot of these things?

THE PRESIDENT. I have been reading all the stories I saw in the papers, but I don't believe them.

Q. Do you agree with the statement of General Vaughan that there are 300 five percenters, Mr. President?

THE PRESIDENT. I don't know anything about it. I think you fellows would know all about it. That is your business, to find out about those things.

Q. Sometimes, Mr. President, we can't investigate very easily, we are checkmated. [*Laughter*]

THE PRESIDENT. How? How do you get checkmated, Miss May? [4] I never checkmate you.

Q. Well——

THE PRESIDENT. I give you all the information.

Q. ——we were checkmated on the secrecy about the Blair House.

THE PRESIDENT. I give you the information I can. There is no secrecy around the Blair House, Miss May, at all. I live there. It's my private residence.

Q. Just the same——

THE PRESIDENT. Are there any secrets around your house where you live? [*Laughter*]

Q. I am not President!

Q. Mr. President, on this legal point, if the Senate shows a disposition to call General Vaughan, will he be permitted to testify?

THE PRESIDENT. Certainly. Certainly he will.

Q. Mr. President——

Q. Mr. President——

THE PRESIDENT. Let the lady ask her question.

[6.] Q. Mr. President, was the suspension of the Mexican oil loan negotiations made with your approval?

THE PRESIDENT. I knew nothing about it. I saw in yesterday's paper where Mr. Acheson said they were temporarily suspended. That's all I know about it.

Q. Later, Assistant Secretary of State Miller said that obviously it was done with White House approval?

THE PRESIDENT. No, I think the negotiations probably were stymied, and they will be renewed at the proper time. It was not discussed with me.

[7.] Q. Mr. President, in the current debate on the North Atlantic Pact, some Republicans have raised the issue of atomic secrets being passed on to other members of the treaty countries. Mr. Wherry, I believe, said that he feared that this might be implicit in the pact and he would like some guarantees beforehand before the vote is made?

THE PRESIDENT. If I understand correctly, Mr. Wherry has a lot of ungrounded fears, in which I am not interested.

Q. He has had a lot of what?

THE PRESIDENT. Ungrounded fears about the treaty.

[8.] Q. Mr. President, do you have any idea when the military aid program will go up to the Hill?

THE PRESIDENT. As soon as it is ready.

[9.] Q. Mr. President, the Senate Judiciary Committee seems to be holding up the nomination of Carroll Switzer to be a Federal judge. Do you have any comment on that?

THE PRESIDENT. No comment. It seems to be the policy of the Judiciary Committee to hold up any appointments I send down there, so that's nothing new.

Q. Has the point been reached where you feel justified in withdrawing his name?

THE PRESIDENT. No, not yet.

[4] Mrs. May Craig of the Portland (Maine) Press Herald.

[10.] Q. Mr. President, do you expect to move pretty swiftly in naming a replacement for Mr. Justice Murphy?

THE PRESIDENT. As quickly as I can make the announcement I will make it. I don't know whether that will be swiftly or whether it will be quickly. That depends altogether on the point of view.

Q. Are you getting a lot of recommendations?

THE PRESIDENT. Oh yes, I have a pile of recommendations. Plenty of recommendations. Every Federal judge in the United States would like to be on the Supreme Court. I imagine most of them are qualified.[5]

Q. Mr. President, I don't want to be impertinent—I don't even know whether it's an impertinent question—but will you follow the policy of replacing a Catholic with a Catholic?

THE PRESIDENT. I have no comment on that.

[11.] Q. Mr. President, I believe the reciprocity trade act has actually expired. Do you expect congressional—are you confident of congressional action to renew that?

THE PRESIDENT. Oh yes. As soon as we can get around to it. I think there is no doubt but what they will ratify the trade treaty.

[12.] Q. Mr. President, what comment have you had on your plan announced last week for extending Federal aid to areas hard hit by unemployment?

THE PRESIDENT. I didn't understand the question?

Q. What comment have you had on your plan which you announced last week for extending Federal aid to areas hard hit by unemployment?

THE PRESIDENT. Well, they are working on it right now, and comment has all been favorable. The Secretary of Commerce is making an on-the-spot investigation. The Labor Department through Mr. Tobin is supplying the statistics, and Dr. Steelman is coordinating all the parts of the Government that can be of help in the program; and we are making some progress.

[13.] Q. Mr. President, one other thing, there is a report in a magazine today that you gave General Vaughan a mock medal in connection——

THE PRESIDENT. No comment. I have no comment. That's like the Blair House meeting.

What was the question back there?

[14.] Q. This is one about the Blair House meeting. Do you have any contemplation whatsoever of telling the British how to make the atomic bomb?

THE PRESIDENT. No comment. I told you I wouldn't answer questions about the Blair House meeting, or anything in connection with it, or any rumors in connection with it.

Q. Mr. President, here is one that you might answer. The man who leaked the news about the first Blair House meeting, would you invite him to the second one?

THE PRESIDENT. I didn't have a second one.

Q. Will you invite——

THE PRESIDENT. I will attend to that when it comes around.

Q. Mr. President, do you know who he is?

THE PRESIDENT. Yes Ma'am, I do. [*Laughter*]

Q. Who is he?

THE PRESIDENT. No comment. No comment. [*More laughter*]

Q. Mr. President, you say in your earlier remarks on the mechanics of that meeting that you thought at some point we would agree that this was a relatively unimportant discussion. Does that——

THE PRESIDENT. Just be patient until all the

[5] See Item 189.

rumors are floored, then you will have the answer to that question.

Q. I wonder whether you could say now that it is—or at some future time that the whole thing will be disclosed?

THE PRESIDENT. No, I don't intend to discuss it.

[15.] Q. Mr. President, do you have a candidate for the new Republican National Chairman?

THE PRESIDENT. I am afraid my candidate wouldn't be considered. [*Laughter*]

Reporter: Thank you, Mr. President.

NOTE: President Truman's one hundred and ninetieth news conference was held in his office at the White House at 10:30 a.m. on Thursday, July 21, 1949.

162 Statement by the President Upon Ratification of the North Atlantic Treaty. *July* 25, 1949

THE AMERICAN people value peace and freedom above all things. Our ratification of the North Atlantic Pact with the overwhelming support of the Senate and the people shows our determination to preserve this peace and freedom.

This treaty is an historic step toward a world of peace, a free world, free from fear, but it is only one step. We have malice toward none. With our partners in the pact and other like-minded peoples we must, with God's help and guidance, work for peace with every means at our command. We must keep ourselves morally and materially strong. We must play our part in helping to strengthen freedom everywhere. We must work patiently and tirelessly to make the United Nations ever more effective for its great task. We must seek ever greater unity of purpose and of action in the cause of peace.

NOTE: The North Atlantic Treaty was signed at Washington on April 4, 1949; ratification was advised by the Senate of the United States on July 21, and the Treaty was ratified by the President on July 25. The instrument of ratification of the United States was deposited at Washington on July 25, and the Treaty entered into force on August 24. The Treaty is published in the U.S. Statutes at Large (63 Stat. 2241).

See also Items 68, 75, 188, and 225.

163 Special Message to the Congress on the Need for a Military Aid Program. *July* 25, 1949

To the Congress of the United States:

To continue and strengthen our program for world peace and national security, I recommend that the Congress enact legislation authorizing military aid to free nations to enable them to protect themselves against the threat of aggression and contribute more effectively to the collective defense of world peace.

Such legislation is an essential part of our efforts to create an international structure capable of maintaining law and order among nations. Our prosperity and security, as well as that of other free nations depend upon our success in establishing conditions of international order. Increased assurances against the danger of aggression are needed to support our international eco-

nomic programs, and in particular the European Recovery Program, which are so vital to the building of a stable world.

Under the Charter of the United Nations, each member nation is bound to settle international differences by peaceful means, and to refrain from the threat or use of force against the territory of any country. Thus, in joining the United Nations, the nations have given their assent to the basic principles of international peace and security.

We have, however, learned the unfortunate truth that this obligation, by itself, is not sufficient at the present time to eliminate the fear of aggression and international violence. The record of world events since 1945 offers us no certainty that all members of the United Nations will uphold these principles of peace in actual practice. Indeed, there is proof to the contrary, proof that in the pursuit of selfish ends some nations have resorted and may again resort to the threat or use of force. The fear created by this experience haunts the world and creates conditions of insecurity and instability which stand in the way of economic and social progress.

To reduce this danger and to allay these fears, we have taken additional steps to reinforce the obligations of the Charter. Under the Pact of Rio de Janeiro and in the North Atlantic Treaty, we are creating a framework of mutual obligation to prevent international violence in the Western hemisphere and in the North Atlantic area. These treaties provide support for the principles of the Charter of the United Nations.

Furthermore, even in the absence of such compacts, we have refused to tolerate assaults on the integrity of peace-loving nations whose conduct conforms to the principles of the Charter. We have given military as well as diplomatic aid directly to nations threatened by aggression. Through our aid to Greece and Turkey, we have recognized the fact that, if the principles of international peace are to prevail, free nations must have the means as well as the will to resist aggression.

So long as the danger of aggression exists, it is necessary to think in terms of the forces required to prevent it. It is unfortunate that this is true. We cannot, however, achieve our goal of permanent peace by ignoring the difficult and unpleasant tasks that lie in the way. We need to show the same firmness and resolution in defending the principles of peace that we have shown in enunciating them. The better prepared the free nations are to resist aggression, the less likelihood there is that they will have to use the forces they have prepared. The policemen in our communities seldom have to use their weapons, but public peace would be greatly endangered if they did not have them.

The preparation of the military means for keeping the peace is necessary not only to the security of the United States but also to building a safe and prosperous world society.

Helping free nations to acquire the means of defending themselves is an obligation of the leadership we have assumed in world affairs. Within the practical limits of our resources, we must strive to act with foresight and precision, so that our strength and the collective strength of the free peoples associated with us will be most effective.

To be effective, the aid which we supply to other nations for defending themselves must be planned ahead. It must not be wasted. It must be carefully allocated to meet the realities of our own security. Above all, it is urgent to initiate a program of aid promptly if we are not to lose the momentum already gained toward recovery and political stability.

These general requirements are given sharp emphasis by consideration of the specific cases where aid is needed. Many anxious governments have requested our military assistance. Among these requests, there can be no more meaningful appeals than those which have come from the countries of Western Europe. It is entirely logical that these governments should turn to us and that we should help them. Their defense is our defense and is of deep concern to us. Twice in one generation we have found that we had to join with them in fighting against aggressor nations in order to preserve our freedom and the freedom of other democratic countries.

The principal task of the free nations of Western Europe in the last four years has been to restore their war-shattered economies. The inherent difficulties of this task have been aggravated by the foreign policy of the Soviet Union, which has done its utmost to prevent European recovery. Full economic recovery requires peaceful conditions and the assurance that the work of labor, industry and agriculture will not be swept away in the outburst of international violence. In place of these conditions, the Soviet Union, with its violent propaganda, its manipulation of the conspiratorial activities of the world communist movement, and its maintenance of one of the largest peacetime armies in history, has deliberately created an atmosphere of fear and danger.

In the face of what has occurred in Greece, and in Berlin, in the face of the threats and pressures to which Iran and Turkey have been exposed, in the light of the suppression of human liberty in countries under communist control, the nations of Western Europe have not been able to ignore the necessity of a military defense for themselves. They have seen what the Soviet Union has done to nations for which it professed friendship and with which it was recently allied. They have observed how a communist coup d'etat, operating in the shadow of the massed military might of the Soviet Union, can overthrow, at one stroke, the democratic liberties and the political independence of a friendly nation.

As a consequence of that experience, and in the light of the fact that the two most devastating wars in history originated in Europe, they realize that they must have a shield against aggression to shelter their political institutions and the rebirth of their own economic and social life.

The nations of Western Europe have addressed themselves in all seriousness to the task of providing such a shield. In the Treaty of Brussels, five nations of Western Europe established joint measures for their own defense. In support of that treaty, they have coordinated both their defensive strategy and their plans to produce necessary military supplies.

Those five nations, together with Norway, Denmark and Italy, have undertaken annual military expenditures equivalent to about five and one-half billion dollars. This is the maximum amount they are able to spend without seriously interfering with the civilian production necessary for their economic recovery. This amount is not, however, enough to furnish these nations the protection they need. Concentrating, as they are, on restoring their economic stability, they are unable to spare the plants and the materials required to bring their defense establishments up to the necessary levels. Furthermore, there are certain items essential for their defense which they are not equipped to provide for themselves. They have, therefore, come to us with urgent requests for assistance in providing the necessary margin of arms and equipment which will make them better able to repel aggression

and mitigate the anxieties of their peoples.

I recommend that we supply these countries with assistance of three types: First, a limited amount of dollar aid to enable them to increase their own production of military items without impairing their efforts for economic recovery; second, the direct transfer of certain essential items of military equipment, and third, the assistance of experts in the production and use of military equipment and the training of personnel. Such a program will enable these countries to acquire the elements necessary to their defense without hampering their recovery.

The military assistance which we propose for these countries will be limited to that which is necessary to help them create mobile defensive forces. Our objective is to see to it that these nations are equipped, in the shortest possible time, with compact and effectively trained forces capable of maintaining internal order and resisting the initial phases of external aggression.

At the present time, the military power which is the greatest deterrent to aggression is centered in the United States, three thousand miles away from Europe. It must be made clear that the United States has no intention, in the event of aggression, of allowing the peoples of Western Europe to be overrun before its own power can be brought to bear. The program of military assistance now proposed is a tangible assurance of our purpose in this regard.

Outside of Western Europe we are already engaged in a program of military assistance to Greece and Turkey. This program has been in effect since May 1947. The communist effort in Greece, in the form of a guerilla war supported from abroad, has been condemned by the General Assembly of the United Nations. Our aid to Greece has checked this attempt to overthrow the political independence of a free nation. It is important that present gains against the guerillas be maintained and that the operations be pressed to a successful conclusion. Only if this is done, can the economic reconstruction of Greece be accomplished.

In Turkey, our aid has lessened the burden of military preparedness which the threatening pressure of the Soviet Union had imposed on a primarily agrarian economy. Although the Turkish defense system has been improved, additional equipment and maintenance parts are needed for the modernization of certain Turkish defense units.

We are also confronted by the necessity of making military assistance available in other areas of the world outside Europe.

In Iran the use of surpluses of United States military equipment has aided in improving the defensive effectiveness of the Iranian Army and the maintenance of internal order. It is now necessary to provide certain additional items to round out this program, and thereby to strengthen the ability of Iran to defend its independence.

The new Republic of Korea, established as a result of free elections held under the auspices of the United Nations, is menaced by the communist regime in the northern part of the country. With the advice and assistance of the United States, the Korean Government has established a small force to protect its internal security and defend itself against outside aggression short of a full scale war. Equipment has been requested from the United States for minimum army and coast guard forces. It is essential to the survival of the Korean Republic that this assistance be made available.

In addition, it is necessary to continue our program of limited aid to the Republic of the Philippines, which was originated under the Act of June 26, 1946.

In this hemisphere we have assumed

obligations of mutual defense with the other American Republics under the Pact of Rio de Janeiro. Our northern neighbor, Canada, is a party with us to the North Atlantic Treaty. It is important under the terms of these two treaties that we should assist Canada and the American Republics to establish adequate defenses properly coordinated with our own.

In view of our limited resources, it is impossible for us to assist on a grant basis all countries whose defense is related to our own. We can afford to bear the cost of military aid only with respect to those countries vital to our national security where the danger is greatest, and where the ability to pay for military equipment is least. With respect to such countries as Canada and the American Republics, therefore, I recommend that our assistance be limited to the use of the facilities of our Government to procure defense equipment for them at their own expense.

All these various requirements for military assistance should obviously be handled in a unified program, adaptable in its administration to the operation of our foreign policy.

The sum which will be needed in new appropriations for the fiscal year 1950 for all the grant programs now contemplated, together with a margin for emergencies, is approximately $1,450,000,000. The bulk of the supplies to be procured under these programs will be delivered over the next two years. Of this total $50,000,000 has recently been requested for the interim continuation of our program of military aid to Greece and Turkey under existing authorizations. New authorization will be required for $1,400,000,000.

The major portion of the total is to be devoted to the needs of the Western European nations. It is not proposed that specific sums be committed in advance to particular countries. Rather, the President should be able to make allocations as circumstances require.

The aid we provide will constitute only a minor fraction of what these countries will spend themselves. Agreements will be executed with the recipients, to provide for mutual assistance and to assure proper use of the equipment furnished. The recipient nations will be required to limit the use of the items supplied to the defense of agreed geographic areas, and will not be permitted to transfer them to other nations without the consent of the United States. The President should be authorized to terminate our aid at any time. Aid will be terminated in the event that a recipient acts in a manner inconsistent with the policies and purposes of the program or with its obligations under the Charter of the United Nations.

The recommended program covers the most pressing current needs for military aid. How long it may be necessary to continue military aid depends on many unpredictable factors. Our burden will undoubtedly lessen as our program for peace brings its returns. Advancing economic recovery will enable the free nations to sustain a larger share of the expense of their own defense measures. Progress toward a peaceful settlement of international differences will reduce the threat of violence, and lighten the cost of preparedness. Ultimately, when the peaceful principles of the United Nations are fully realized, the protection of the peace may be assigned to the security forces of that organization.

If this program of military aid is to succeed, we must prosecute it promptly and vigorously. Our policies for peace are having the desired effect. We cannot afford to lose the momentum we have already gained.

One need only look back to the situation

with which we were confronted two and one-half years ago to be convinced of the rightness of our course of action. At that time the free nations of Europe were not only exposed and defenseless, but they were also caught in an economic impasse which threatened the existence of their democratic forms of government. Europe, with its great storehouse of skills and its heritage of free institutions, seemed about to disintegrate and to fall piece by piece under the sway of totalitarian control.

The fact that such a disaster has been averted should inspire us with confidence in the ultimate triumph of the cause of peace and freedom not only in Europe but elsewhere in the world.

Like the North Atlantic Treaty, this program of military aid is entirely defensive in character. By strengthening the defense establishments of the free nations, it will increase the confidence of the peoples of the world in a peaceful future and protect the growth of world recovery.

I would not suggest that this program alone will bring present international tensions to an end. It will, however, preserve the initiative which the free nations of the world now have, and help to create a world structure so firm economically and militarily as to convince any potential aggressor nation that its own welfare lies in the direction of mutual tolerance and peaceful foreign relations.

HARRY S. TRUMAN

NOTE: On October 6, 1949, the President approved a bill providing for the Mutual Defense Assistance Act of 1949 (63 Stat. 714). For the President's statement upon signing the act, see Item 225.

164 Letter to the Speaker on Home Rule for the District of Columbia. *July* 25, 1949

My dear Mr. Speaker:

On May 31, 1949, the Senate passed, without a dissenting vote, S. 1527, a bill to give home rule to the people of the District of Columbia. A subcommittee of the House Committee on the District of Columbia is now holding hearings on this legislation. I am writing to you to express my hope that the House will complete legislative action on a home rule bill and that it will be sent to me to sign into law before this session of the 81st Congress adjourns.

As passed by the Senate, the bill has three major purposes: (1) to relieve the Congress as much as possible of the burden of District of Columbia affairs, without surrendering its constitutional powers; (2) to create a representative local government for the District of Columbia chosen by the qualified electors; and (3) to provide an efficient and economical government for the District of Columbia.

I am very much in favor of all of these objectives.

It is little short of fantastic that the Congress of the United States should—as it now does—devote a substantial percentage of its time to acting as a city council for the District of Columbia. During the past two years, during which it was confronted with many major problems of national and international importance, the Congress has had to find time to deal with such District matters as parking lots, the regulation of barbers, the removal of street obstructions, and the establishment of a Metropolitan Police Force Band, to name only a few.

The people of the District of Columbia

should not be placed in a different status from that of the people of all other American cities and almost all democratic capitals of the world in so far as local self-government is concerned. In my Message to Congress transmitting the Budget for the fiscal year 1947, I said:

"The District of Columbia, because of its special relation to the Federal Government, has been treated since 1800 as a dependent area. We should move toward a greater measure of local self-government consistent with the constitutional status of the District. We should take adequate steps to assure that citizens of the United States are not denied their franchise merely because they reside at the Nation's Capital."

It was not the intention of the architects of our Constitution to deprive the District of Columbia of home rule. Writing on this subject in *The Federalist,* James Madison said that the inhabitants of the District "will have . . . their choice in the election of the government which is to exercise authority over them" and that "a municipal legislature for local purposes, derived from their own suffrages, will of course be allowed them."

The establishment of a well-organized and efficient governmental system in the District of Columbia is a desirable adjunct to the successful operation of the home rule principle. The present organization of the District government is complicated and administratively cumbersome. I am strongly in favor of better organization and greater efficiency throughout the Executive branch. The District of Columbia government should not be an exception carved out from the general rule.

There is nothing partisan about this proposal. The platforms of both major parties urge home rule for the District. The bill which passed the Senate unanimously, received the support of both Republican and Democratic members of that body. I am sure that the great majority of the people of Washington want home rule. I am equally sure that they ought to have it without further delay. I hope that the House will not adjourn this session without completing action on this important measure.

Very sincerely yours,

HARRY S. TRUMAN

[The Honorable Sam Rayburn, Speaker, House of Representatives]

NOTE: On August 16 the bill S. 1527 was tabled by the Judiciary Subcommittee of the House District Committee.

165 Remarks to a Group of German Editors and Publishers. *July 26, 1949*

I UNDERSTAND that you have been taking a look at the press of the United States. We are glad to have you in the country, and hope that you will get some satisfaction out of your visit.

There are a great many wonderful newspapers in this country, and I hope that you can get some good out of them; and I am sure you will.

When you go back to Germany, I hope you will be able to say that you have been cordially treated in this country, and that we at least showed that we were glad to have you pay us a visit.

Thank you very much.

NOTE: The President spoke at 3:40 p.m. in his office at the White House.

166 The President's News Conference of *July* 28, 1949

THE PRESIDENT. [1.] I have a statement I would like to read to you on a thing that has been taking place recently.

Q. Will it be available after, Mr. President?

THE PRESIDENT. It will be available. It's all set up for you here. Plenty of copies, so that each one of you can have one.

The reason I want to read it to you is because I think it is a very important statement. It will clear up a great many things about which there has been so much conjecture.

Q. Will you read it slowly, please, sir?

THE PRESIDENT. Yes, I will. [*Laughter*] I will try to read it as slowly as I can.

[*Reading, not literally*] "On July 14th I consulted with a group of congressional leaders, including ranking members of the Joint Committee on Atomic Energy, concerning certain problems which this country faces in the field of atomic energy. Since that time, members of the administration have held discussions with congressional leaders, particularly with the Joint Committee on Atomic Energy. Further discussions will take place, as it is essential that action in this field which so vitally affects the security of the country be based on a wide area of agreement between the executive and the legislative branches of the Government.

"In this field, it is important that the people of the country be kept informed as to the greatest extent—to the greatest extent consistent with the requirements of the national security, and in a manner consistent with the orderly processes of consultation between the legislative and executive branches of the Government. I feel I can now mention briefly some of the factors involved in the problem.

"As a result of consultations among American, British, and Canadian scientists, beginning in 1939, the United States, the United Kingdom, and Canada agreed in 1943 to concentrate a major effort in the United States, for the purpose of producing an atomic bomb at the earliest possible time. A British scientific mission participated extensively in the research and development, and later in the production of atomic bombs at Los Alamos. They participated in the preparation for, and the evaluation of, the Bikini tests. Similar scientific missions were assigned to research and development work concerned with the construction and operation of the principal plants for the separation of U-235 at Oak Ridge. British and Canadian scientists consulted our scientific and technical personnel at the Metallurgical Laboratory in Chicago on the design of the heavy water reactor which they subsequently built at Chalk River, Canada.

"Early in 1947 the three countries adopted a uniform system for handling the information which has been jointly developed for determining what should be kept secret, and what was appropriate for public release.

"In January 1948 the three governments agreed upon a *modus vivendi* which provided for cooperation among the three countries involving exchange of scientific and technical information in certain defined areas and collaboration on matters of raw material supply of common concern. These arrangements were made after consultation with the Joint Committee on Atomic Energy. These arrangements are limited in scope and duration. It is necessary to consider the future,

taking into account the developments made in this field by the three countries, and to maintain the status quo while this consideration takes place.

"We, therefore, intend to explore with the United Kingdom and Canada some of the basic questions underlying any determination of long range policy in this field. These are questions which will require further consultations with the Congress following the exploratory conversations. I wish to emphasize that these exploratory conversations do not involve making agreements with or commitments to the British and Canadians on these questions. They involve having talks with the British and Canadians prior to further consultations with the Congress. In these consultations with the Congress, we shall have to decide together what course of action it is wisest to take."

That's all. I think when you read it carefully you will find that it is a perfectly logical statement. Nothing mysterious about it, nor has there ever been.

Q. Why were all those fellows running out of there with their faces hanging down to the curb? They all looked so gloomy——

THE PRESIDENT. Well——

Q. ——remember?

THE PRESIDENT. ——it's a gloomy subject. It's a gloomy subject. This atomic explosion is one which we all dread, myself more than anybody else, because I never want to have to use it again.

Q. You said that you never want to use it again. May we use that for quotes?

THE PRESIDENT. Yes—I have said that time and again. I never want to have to use it again.

Any questions?

[2.] Q. Mr. President, I want to ask you, do you—I know you are not intervening in Democratic primaries in any State—I just wondered if you have a favorite candidate in Virginia, or a curbstone opinion on who should be elected?

THE PRESIDENT. No comment. I don't intervene in State politics.

[3.] Q. Mr. President, Colonel Renfrow, who is an assistant, I believe, in General Vaughan's office, said in a speech out——

THE PRESIDENT. He is an Assistant to the Secretary of Defense.

Q. Secretary of Defense—said out in Grand Rapids that you may appoint somebody from Chicago to head up a civilian military thing—a sort of vague reference. Are you contemplating somebody from Chicago?

THE PRESIDENT. Not that I know of. Nothing in contemplation at the present time.

[4.] Q. Mr. President, have you arrived near the point where you will nominate a Supreme Court Associate Justice?

THE PRESIDENT. Yes, and I can tell you who it is, if you want to know.

Q. Oh!

THE PRESIDENT. It's Tom Clark, the Attorney General. And I shall make Howard McGrath the Attorney General.

I called them in this morning and made the proposition to them, and they were both so surprised at being called upon that they couldn't give me an answer. They promised to give me an answer in a few days.

Q. You expect an answer in a few days?

THE PRESIDENT. Yes, I expect their answer in a few days.

Q. Are you going to hold up the nomination until you see the answer?

THE PRESIDENT. Until they give me the go-forward sign, I won't know that they will accept.

Q. You said Attorney General Clark was surprised?

THE PRESIDENT. Yes sir—very much surprised.

Q. I called him "Judge" the other day, and he seemed to be very much pleased.

THE PRESIDENT. You didn't make it a high enough rank. You should have called him "Mr. Justice," if you really had that in mind. [*Laughter*]

Q. What would be your best guess?

THE PRESIDENT. My best guess is, of course, that they will accept. Of course I expect they will.

Q. Are you awaiting a reply from both gentlemen?

THE PRESIDENT. Yes, I am awaiting a reply from both gentlemen.

Q. Was that this morning?

THE PRESIDENT. This morning.

Q. Do you think it possible that they won't accept?

THE PRESIDENT. That is for you to speculate on. You are going to have 3 or 4 days in which to do it.

Q. Were they in this morning, Mr. President?

THE PRESIDENT. Yes, they were in this morning.

Q. We didn't see them come in.

THE PRESIDENT. No, and you didn't see them go out. [*Laughter*]

Q. Mr. President, you said you met them this morning?

THE PRESIDENT. They came in here this morning. They came at my request.

Q. Mr. President, that would mean that Senator McGrath would have to quit as national chairman, wouldn't it?

THE PRESIDENT. I don't know about that. He will have to resign from the Senate if he is confirmed.

Q. That makes Bill Boyle chairman of the Democratic National Committee, wouldn't it?

THE PRESIDENT. Go on and do your speculating all you want. I have no comment to make on that at all.

Q. Make a mighty good one. [*Laughter*]

THE PRESIDENT. No comment.

[5.] Q. Mr. President, we understood that there might be a story growing out of the presence of Jonathan Daniels?

THE PRESIDENT. What do you mean? What kind of story?

Q. I don't know. He's here.

THE PRESIDENT [*to Mr. Daniels*]. Jonathan, do you know of any reason——

Mr. Daniels: I don't know——

THE PRESIDENT. ——why you shouldn't be here, if I invited you to come in? [*Laughter*]

Jonathan used to run these press conferences, if I am not mistaken. He likes to see them go still.

[6.] Q. Mr. President, do you feel that there should be a member of the major minority faith on the Supreme Court?

THE PRESIDENT. I don't think faith has anything to do with a Justice of the Supreme Court. If he is qualified, I wouldn't care what his faith is, whether it's Catholic, Baptist, or Jewish. If he is qualified, that is the only thing that I consider.

[7.] Q. Mr. President, on the picket lines in front of the White House for several days—would you like to comment on that?

THE PRESIDENT. I don't know anything about any such picket lines. If I did, I wouldn't comment on it.

[8.] Q. Do you have any comment on the controversy between Cardinal Spellman and Mrs. Roosevelt?

THE PRESIDENT. No comment. Well taken care of in the press, and I have no comment.[1]

[9.] Q. Mr. President, do you have any comment on Harold Stassen's remark that

[1] In her column of June 23 Mrs. Roosevelt had expressed support for the Barden bill (H.R. 4643) which provided for Federal aid to elementary and secondary schools. In a letter released on July 22 Cardinal Spellman stated that Mrs. Roosevelt was opposed to Federal aid to parochial schools.

you were afflicted with poweritis?

THE PRESIDENT. I didn't know he made it, and I am sorry he did. I don't think he knew what he was talking about.

Q. Who is that, Mr. President?

THE PRESIDENT. Mr. Stassen. Professor Stassen.

[10.] Q. Mr. President, returning to the atomic bomb, there were reports in Paris that the Russians had exploded an experimental atomic bomb in Siberia. Has there been any official report——

THE PRESIDENT. I know nothing about it.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome. Don't break your legs now! [*Laughter*]

NOTE: President Truman's one hundred and ninety-first news conference was held in his office at the White House at 4 p.m. on Thursday, July 28, 1949.

167 Statement by the President Upon Signing Order Providing for a Management Improvement Program in the Executive Branch. *July 29, 1949*

SINCE the Reorganization Act of 1949 was passed, I have submitted to the Congress a number of plans to improve the organization and management of the executive branch. Other steps to further the recommendations of the Commission on Organization of the Executive Branch are under study. In cooperation with the Congress I intend to move ahead as rapidly as is consistent with well-considered action.

While improvements in the organization and administrative arrangements of the executive branch are essential to efficient conduct of Federal programs, they do not in themselves result in better operations. Responsible officials must follow through to see that potential improvements in Government operations are actually realized.

In an Executive order which I have just signed, I am taking steps to assure that there shall be a continuous and systematic effort throughout the executive branch to evaluate and improve the effectiveness and economy of Government operations.

Department and agency heads will continue to have primary responsibility for such action. It is my intention that the responsible executives shall schedule comprehensive reviews of activities under their jurisdiction in order to improve internal agency organization, identify and eliminate overlapping or unnecessary activities, simplify or modernize procedures, and assure that management shall be effective in its day-to-day direction and supervision of operations. In scheduling such appraisals it is my intention that priority shall be given to those areas of operation in which the greatest benefits in economy or improved service to the public are expected.

The Bureau of the Budget will review accomplishments and keep me informed of progress and matters requiring action by me.

The Advisory Committee on Management Improvement will assist me in planning an effective management improvement program on a government-wide basis and in reviewing progress and accomplishments under it.

NOTE: On July 29, the President issued Executive Order 10072, "To Provide for Continuing Action to Improve the Management of the Executive Branch of the Government" (3 CFR, 1949–1953 Comp., p. 277).

The order established an Advisory Committee

on Management Improvement to which the President appointed the following: Chairman, Thomas Morgan of New York City, president, Sperry Corporation; Lawrence A. Appley of New York City, president, American Management Association; Vincent Burke, First Assistant Postmaster General; Oscar Chapman, Under Secretary of the Interior; Gordon Clapp, Chairman, Tennessee Valley Authority; Stephen T. Early, Under Secretary of Defense; Herbert Emmerich of Chicago, director, Public Administration Clearing House; Edward Mason of Cambridge, Mass., dean, Harvard Graduate School of Public Administration; Otto Nelson of Princeton, N.J., vice president, New York Life Insurance Company; James Palmer of Winnetka, Ill., executive vice president, Marshall-Field & Company; Marcellus C. Sheild, retired staff member of the House Committee on Appropriations; James E. Webb, Under Secretary of State. Frank Pace, Jr., Director of the Bureau of the Budget, was requested to meet with and advise the Committee.

The President held his first meeting with his Advisory Committee on Management Improvement on October 13, 1949. Following the meeting the White House issued a press release stating that the President had emphasized the importance of improving management in the executive branch in order to cut down costs, meet national security requirements, carry out an effective foreign policy, and insure continued growth and expansion of the economy.

He indicated his general agreement with the recommendations of the Commission on Organization of the Executive Branch, pointing out that he had recommended action to the Congress on the most important of these recommendations and stating that he would propose further action at the next session of Congress.

He said that although he felt the organizational structure of the Government was receiving adequate attention, he was concerned with ways of getting systematic improvement of operating performance.

The President asked the Committee to begin its work by reviewing the programs of the three central agencies which are concerned with management throughout the Government—the Bureau of the Budget, the Civil Service Commission, and the General Services Administration. He pointed out that those three agencies have the principal roles in providing management guidance for the Government as a whole. He also asked the Committee to give special attention to a proposed program for continuous development of key personnel in the Government.

168 Statement by the President Upon Signing Bill Providing Federal Assistance to the Fort Sumner Irrigation District, New Mexico. *July* 29, 1949

I HAVE today approved S. 276, authorizing "a project for the rehabilitation of certain works of the Fort Sumner irrigation district in New Mexico." Under this act, the Federal Government will rehabilitate, operate, and maintain, under the reclamation laws, an irrigation system which heretofore has been a private venture. The construction costs involved will be repaid by the water users over an extended period of time.

The irrigation district has been unable to obtain private financing for replacement of the existing dam, rehabilitation and enlargement of canal systems, installation of an adequate pumping plant, and repair and extension of the drainage system, all of which are urgently needed. This act will make it possible to accomplish this necessary work and put the farmers in the district in a position to maintain successful farming operations.

By the enactment of S. 276, the Congress has indicated its belief that there are circumstances under which Federal assistance for the rehabilitation of non-Federal irrigation projects is desirable and appropriate in the national interest. I agree, but I do not believe that bringing projects under the reclamation laws, one at a time, provides the best means of furnishing such assistance.

In this case, however, there is a special need for prompt action which leads me to approve this bill. The existing dam has been partially destroyed by flood waters and has

been temporarily repaired with an earth fill. The dam is now threatened with destruction if another flood of even moderate proportions should occur. Therefore, I do not consider that approval of this act establishes a precedent for the approval in the future of other bills authorizing Federal assistance for individual projects of this type.

It seems to me that assistance to such projects should be provided through a general program designed to meet the needs of cooperative organizations of water users. The statutory foundation for such a program should be laid by enactment of legislation similar to that under which the Federal Government formerly carried on a program for extending assistance to non-Federal irrigation districts.

NOTE: As enacted, S. 276 is Public Law 192 (63 Stat. 483).

169 Statement by the President Reviewing the Nation's Atomic Energy Program. *August* 1, 1949

THREE YEARS ago I approved the Atomic Energy Act of 1946, which established policies to guide this Nation's development of atomic energy.

For the past 3 years, the Atomic Energy Commission, in cooperation with the armed services, has borne the main burden of responsibility for preserving and strengthening our preeminence in the development of atomic energy for both military and peacetime purposes. In this effort, the Government has had the full cooperation of private industry and our institutions of higher learning.

Every American should know, within security limits, of the splendid progress which is being made in this huge undertaking. This principle of responsible government is basic to our political system. Our progress is summed up in the semiannual report submitted today to the Congress by the Atomic Energy Commission.

Noteworthy advances have been made in every sector of the atomic energy program. Gains have been made in the production of fissionable materials and in the design and production of atomic weapons, in accordance with the paramount objective of assuring the common defense and security. Fundamental research is being pursued on a large scale, because it constitutes the basis for future applications of atomic energy. The Commission is energetically carrying forward its program of applied research looking toward the use of atomic energy in ways that will materially improve human welfare. All the people will benefit from the increasing use of the products of atomic energy to further the healing arts, to bring about better food production, and to increase our understanding of the basic forces of life itself.

It is important that this program continue to go forward with undiminished momentum and effectiveness.

I believe that our national policy for the vigorous development of atomic energy is sound. It is a balanced policy which makes us stronger from a military standpoint while at the same time it promotes our peacetime goals. It is a policy which has the overwhelming support of the American people.

As I review the state of this Nation's atomic energy program I firmly believe that the people of the United States and all who rely on the strength of this Nation have reason for reassurance and faith.

170 Remarks to the American Legion Boys Forum of National Government. *August* 3, 1949

IT IS a pleasure to greet you this morning. You are making records for yourselves that will be useful when it comes time for you to run the Government. It won't be long now, from my way of calculating time, when you will all be responsible for the welfare of the Nation.

You are trying to learn how to assume that responsibility, and that is absolutely essential if we are going to continue with our form of government.

I think our form of government—and I have made some study of the question—is the greatest in the history of the world, and I want to see it continue for another thousand years.

And young men such as you, trying to find out all about it and how it ought to operate, even coming down to tell me what I ought to do, is a good sign that the country is going in the right direction.

You know, there isn't a man in the United States who can't tell the President how to do his job better than the President knows how to do it; and I am sure that you feel the same way about it.

I hope you have had a pleasant time, and I hope you didn't have any contest in this election which I understand took place last night. I hope that the man who had the forward-looking platform won the election, as we did last fall.

Thank you very much.

NOTE: The President spoke at 11:15 a.m. in the Rose Garden at the White House.

171 The President's News Conference of *August* 4, 1949

THE PRESIDENT. [1.] I have a statement for you—getting to be a habit here lately. Saves a lot of questions, I find, though, if you clear them up before you start.

[*Reading*]: "The Department of State is publishing tomorrow a volume on the United States relations with China, particularly during the last 5 years. I asked the Secretary of State to have this record compiled and published.[1]

"My primary purpose in having this frank and factual record released at this time is to insure that our policy toward China and the Far East as a whole shall be based on informed and intelligent public opinion. This is the way in which our system of government acquires its strength. As I said in the speech at Chicago last month, 'Only if men know the truth are they in a position to work for a stable and peaceful world.' 'In this nation, foreign policy is not made by the decisions of a few. It is the result of the democratic process, and represents the collective judgment of the people.'

"The role of this Government in its relations with China has been subject to considerable misrepresentation, distortion, and misunderstanding. Some of these attitudes arose because this Government was reluctant to reveal certain facts, the publication of

[1] *United States Relations With China: With Special Reference to the Period 1944–1949.* Based on the files of the Department of State. Department of State Publication 3573. Far Eastern Series 30. (Government Printing Office, 1949, 1054 pp.).

which might have served to hasten the events in China which have now occurred. In the present situation, however, the mutual interests of the United States and China require full and frank discussion of the facts. It is only in this way that the people of our country and their representatives in Congress can have the understanding necessary to the sound evolution of our foreign policy in the Far East.

"The Secretary of State in transmitting this record has made a clear and illuminating statement of the situation that exists in China, the nature of the problems that are presented, and the governing principles of our policies toward China. This statement will also be published and should be read, with the record, by everyone who is interested in problems of the Far East.

"The warm feeling of friendship between the people of the United States and the people of China has been one of the most notable facts in American foreign relations. That friendship is as strong today as it has ever been. The problem of finding ways to give practical expression to that friendship will continue to receive, day in and day out, the closest attention of this Government, and I know that it will receive the hopeful, constructive, forward-looking thought of the American people."

Now this China paper will be ready for distribution to the press at 2 o'clock today, at the State Department, and I will show you what a nice chore you are going to have. [*Laughter*] There it is. And it's complete and factual, and there's everything in it that you want to know about the China policy from the 1840's to the present day. And if you will take the time to carefully read and study it, you will know just about as much about China policy as the President does, and I think I know more about it than anybody else.

Q. Mr. President, does that include the Wedemeyer report?

THE PRESIDENT. It includes everything, and that's in there in toto. And everything that General Marshall ever did is in there, and anybody else you want to ask about. Even General Hurley is in there, in toto. [*Laughter*]

Q. Mr. President, the present controversy over the American policy, as I see it—and I think possibly as you see it, too, aside from your official knowledge—is that we were too slow in doing something for China because of Communist influence in Washington, or Red influence, and that's——

THE PRESIDENT. Now, that question—that question is thoroughly and completely answered in there; and it was an entirely erroneous understanding.

Q. You recognize the question?

THE PRESIDENT. Yes, I recognize the question, and where it came from; but read this and then you will have it.

Q. Mr. President, are we allowed to take any new steps in China on China policy?

THE PRESIDENT. Read the China policy book.

Q. Does that include the recent conferences between President Quirino and General Chiang?

THE PRESIDENT. Everything that is necessary is in this book.

[2.] Q. Mr. President, we are told that Mrs. Roosevelt has written to you and offered to resign her UN job because of the Spellman controversy? [2]

THE PRESIDENT. Mrs. Roosevelt every year offers to resign from her job on the UN, just because she thinks that the President ought to have a free hand to make an appointment. There was—she expressed no reason as to why she wanted to resign. Simply a matter of courtesy to me.

[2] See note in Item 166 [8].

Q. Will you accept, Mr. President?

THE PRESIDENT. She is going back to the UN.

[3.] Q. Mr. President, Mr. Hoffman and Secretary Sawyer have endorsed the idea of an international trade fair in some American city in the United States, to stimulate imports and to stimulate exports. According to reports, I think Atlantic City and Detroit have been mentioned as having made considerable progress towards establishing such a fair. Would you favor it for 1950?

THE PRESIDENT. I think it would be a fine thing. I am not picking any cities, however.

Q. Mr. President, I got lost somewhere along in that question. I was just wondering if we could——

THE PRESIDENT. An international fair—proposal for an international fair to be held some time in 1950 in the United States, to make sales of our products easier and to make imports easier so that one could offset the other. Sort of like the European fairs that have been held for generations.

[4.] Q. Mr. President, Representative Klein of New York said yesterday, after seeing Mr. Steelman, that you might have something to say shortly on the excise tax question?

THE PRESIDENT. I have seen the "Big Four," and they quoted me correctly at the front door of the White House, that it will require a great deal of research by the experts of the Ways and Means Committee, and the Finance Committee of the Senate, and the Treasury Department, before we can approach the excise tax problem as it should be; and it will be at least the next session before anything will be done about excise taxes.

[5.] Q. Mr. President, have you any suggestions for the Republicans who are now trying to pick a new chairman?

THE PRESIDENT. It would not be proper for me to interfere in the affairs of the Republican Party—except in a campaign.

[6.] Q. Mr. President, do you wish to comment on published reports that the United States Navy is planning another expedition to Antarctica?

THE PRESIDENT. I have no comment on that. In fact, I don't know anything about it. It hasn't been put up to me.

[7.] Q. Mr. President, did you see where Colonel Hunt bought 2500 books of matches from St. Louis "Swiped From Harry S. Truman"?

THE PRESIDENT. Anybody has a right to buy matches anywhere with anything on them that he wants to have put on them. That's the first I ever heard about that one.

[8.] Q. Mr. President, the President of the Philippines will be here Monday——

THE PRESIDENT. That's right.

Q. ——for conferences with you——

THE PRESIDENT. I shall meet him at 4:30, as I always meet the heads of States. We shall have conferences at the Blair House, and he will have dinner with me that night, and the next night I will have dinner with him at the Philippine Embassy.

Q. Do you care to make any comment as to the possible topics of discussion?

THE PRESIDENT. Whatever the President of the Philippines desires to discuss with the President of the United States will be discussed.

[9.] Q. Mr. President, would you accept a compromise on your arms aid proposal?

THE PRESIDENT. The arms aid proposal ought to be passed—in the manner in which it was sent down, except for maybe legislative changes that will make it easier to handle—as quickly as possible.

Q. Mr. President, there has been considerable debate and criticism of section 3 of the arms aid bill, on the ground that it

gives you blank check power.

THE PRESIDENT. I don't care anything about blank check power. All I want is to have an arms aid program so that it will work in a practical manner.

Q. You are opposed to a compromise on the sum?

THE PRESIDENT. The money, yes. The money thing.

Q. When you say blank check, that is giving aid to any country?

THE PRESIDENT. I don't particularly care whether that's in there or not. They are working on that situation now. All I want is that the European pact countries can be properly taken care of on rearmament, with our help, to implement the treaty so that it will be worth something.

[10.] Q. On the Mexican oil question that has come up several times recently, there is a report out now that the United States refused the loan because Mexico would not pay some back claims——

THE PRESIDENT. The United States has not refused the loan. It is still under consideration, and I am hopeful that the loan can be worked out.

[11.] Q. Mr. President, has Secretary Sawyer reported to you on his regional conference on business conditions?

THE PRESIDENT. He has reported to me on his visit to New England. He hasn't returned yet. He will report to me again, as soon as he does return. I can't make any comment on it until I see the full report.

Q. Mr. President, do you see any improvement in business conditions?

THE PRESIDENT. All I know is what I read in the papers, and even the Wall Street Journal says there is an improvement. [*Laughter*]

[12.] Q. Mr. President, on the China situation, do you see any possibility of China being rescued from the Communists?

THE PRESIDENT. I can't comment on that. I would advise you to read the book, and you will get, then, the viewpoint just the same as I have.

[13.] Q. Mr. President, you are about to sign the unification bill?

THE PRESIDENT. It hasn't got to my desk yet. I am having it analyzed, and when it comes to my desk properly analyzed, if it's in the form that I think it is, I will probably sign it.[3]

[14.] Mr. Ross [*to the President*]: I think that Quirino dinner is at the Statler Hotel.

THE PRESIDENT. What?

Mr. Ross: That dinner for President Quirino.

THE PRESIDENT. Charlie says that the dinner for the President of the Philippines will be at the Statler Hotel. I was misinformed on it. The reason it's at the Statler is because of course we can't have it at the White House, and the Blair House is too small—not big enough.

[15.] Q. Mr. President, I am just trying to clear up about those matches. Did you get your matches from Colonel Hunt?

THE PRESIDENT. No, I did not. I don't know Colonel Hunt.

Q. Can you tell us how you get them, Mr. President?

THE PRESIDENT. Oh, they come in every once in a while. People come in, sometimes, and hand me a box of them. Did you ever receive any matches?

Q. Yes sir—I got one from you. [*Laughter*]

THE PRESIDENT. I get boxes of matches from friends. They come to the White House all the time. We have a special brand particularly for the White House.

[16.] Q. Mr. President, when you refer to the international trade fair, is that offi-

[3] See Item 177.

cially supported by the United States Government, or is that——

THE PRESIDENT. It's in the embryo stage yet. Nothing official has been done about it. It's being talked about. Probably will be in the hands of the city that wants to have it, just as any world's fair is.

[17.] Q. One other thing I want to clear up, when you said Mrs. Roosevelt will go back, you mean she will be the delegate to the next UN session?

THE PRESIDENT. Next Assembly.

Q. Next Assembly.

THE PRESIDENT. Just the same job she always has.

Q. Did that offer of resignation come at the usual time?

THE PRESIDENT. Yes. Every year she always resigns. She tells me that if I want to appoint somebody else in her place, she will not be unhappy about it. Very formal. Just the customary formal politeness that Ambassadors and Delegates of the President always put forth.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's one hundred and ninety-second news conference was held in his office at the White House at 10:30 a.m. on Thursday, August 4, 1949.

172 Remarks of Welcome to President Quirino of the Philippines at Washington National Airport. *August* 8, 1949

Mr. President:

It is a great pleasure to welcome you to the United States as a guest of the people of this country. I recall that, as Vice President, you were our guest in May 1947, and that the late Manuel Roxas visited the United States as President-elect in May 1946. The present occasion is significant, for it is the first time a President of the Philippine Republic has visited the United States. For that reason, we wish to make our welcome doubly warm to the representative of our young sister nation.

There is, happily, a long history of friendship between the Philippines and the United States. In the past 50 years, our two peoples have together written a memorable chapter in world history. It is a record of peaceful pursuits of our own choosing, and of two great world wars, not of our choosing, in which we fought side by side and shared defeats and victory.

In the words of the late Franklin Roosevelt:

"The United States and the Philippines have learned the principles of honest cooperation, of mutual respect, in peace and in war. For those principles we have fought—and by those principles we shall live."

In these recent troubled years, the people of the United States and of the Philippines have been steadfast in their adherence to the principles upon which their countries were founded and upon which world peace must be built. Both nations are dedicated to securing justice and liberty and to promoting the general welfare of their own citizens. As members of the United Nations, they are dedicated to securing the same blessings for all peoples everywhere.

There is a new struggle in the world today, a struggle of ideas, a struggle that ignores national boundaries and even national loyalties. Doubts are being cast upon the validity and the sincerity of the beliefs by which we live. Again our two peoples will be found on the same side in the struggle,

which they must accept as a challenge rather than as a threat. With pride in our common traditions, strength in our beliefs and faith in our future, we dedicate ourselves anew to the cause of all free men.

I hope, Mr. President, that you will enjoy your visit among us, and that you will take back to the Filipino people the warm regards of the people of the United States.

NOTE: The President spoke at 4:30 p.m. President Quirino received a Presidential salute of 21 guns, and a guard representing all of the Armed Forces rendered full military honors.

Mr. Quirino was the first President of the Philippine Republic to visit the United States while in office.

173 Toasts of the President and President Quirino at the State Dinner. *August* 8, 1949

GENTLEMEN, this is an historical occasion. We have here tonight, Mr. President, what you might call enough representation to be the whole Government of the United States. You have the President, and the Vice President, the Speaker of the House who, according to my civic studies is supposed to be the second most powerful man in government—I don't know whether he is or not; and we have the Chief Justice of the United States, head of the greatest court in the world. We have the Cabinet all represented here. We have the Chairman of the Foreign Relations Committee, and the ranking Minority Member of the Foreign Relations Committee, who was Chairman of the 80th Congress. We have the Chairman of the Ways and Means Committee, which starts the tax program in the United States. We have the Chairman of the Appropriations Committee of the House, who is the originator of appropriations for the operation of the Government of the United States. We have the minority Members of the House and Senate represented here.

And I think that the situation is so arranged that we can truthfully say that we are honoring the Republic of the Philippines. The Republic of the Philippines is something new in the history of the world. Never before—from Egypt, Assyria, Greece and Rome, to Great Britain and the Empire of the French—has it been the province—the privilege—of the most powerful nation in the world to create a Republic and donate to it sovereignty in its own right, until the Republic of the Philippines was created.

I have an extreme and very close interest in the Philippine Republic, for the simple reason that I happened to be—by the accident of death—President of the United States when the Republic of the Philippines was instituted on July 4, 1946.

It was my privilege to be acquainted with the first President of the Philippine Republic, and the second President of the Philippine Republic, and now we have the third President of the Republic of the Philippines, and the first official visit from a President of the Republic of the Philippines to the United States of America.

I want to offer a toast to the President of the Philippine Republic, and to wish for the complete and entire success of that great Republic.

NOTE: The President proposed the toast at a state dinner at the Carlton Hotel in Washington. President Quirino responded as follows:

Mr. President:

I think it is opportune for me to reveal that there are several reasons why I came to the United States. It was, of course, in response to the gracious invitation of your great President that I decided to come.

But, behind that invitation I had my own selfish reasons for coming here.

I remember three: One was to be able to get rid of my political opponents there who were attacking me—I thought I could relax here. The second is that I want to derive inspiration from the career of President Truman, who succeeded to the Presidency of the United States after the death of President Roosevelt, and got himself elected afterwards.

And the third is, and this is most recently, I find that I have to prepare myself to answer all those sometimes unholy attacks of my colleagues in the Philippines because of the fact that I am a widower. I think I will be better prepared while in America to defend myself from still being a widower. I don't know if I shall ever follow Vice President Barkley's example. But I think I will be learning something from the trial which is being prepared by the Chief Justice, with the President of the United States, the Prosecuting Attorney, and myself as special witness—on condition that he give to me the advantages of being a widower in Washington.

Mr. President, I feel highly honored to be your guest this evening. I little thought that some day I would be the honored guest of the President of the United States. Perhaps there is a little bit of a parallel between your career, Mr. President, and mine. You just stated that in your youth you were fond of music, and had thoughts of being a musician some day.

When I was about the same age, 15, I used to draw pictures. I wanted to study painting, and aspired to be a noted Philippine painter some day. You did not have your wish realized, and I didn't have my wish realized. But I know that you are the President of the greatest republic of the world today, and I know, too, that I am fortunate in being given the opportunity to preside over the destinies of one of your daughter republics.

In England, in 1947, I came to know that the Philippines is the granddaughter of England, because America is considered to be a daughter of England. The Philippines, being considered a daughter of the United States, naturally is considered the granddaughter of England.

But I must say at this moment, Mr. President, that the Philippines is the esteemed and only daughter of the United States in the Far East. We are proud of that, and we want to assure you that we are doing our best to justify the confidence you have placed in us, in ushering us into the family of nations in 1946. We are doing our best, and the progress of the life history of four Presidents of the United States. The history of the Philippine Republic is therefore largely the story of four Presidents of this great country.

President McKinley stumbled upon the Philippines in 1898. Not knowing what to do about it, he thought of just keeping it, not for exploitation, but for the purpose of educating and civilizing its people and preparing them for self-government. It was President Wilson who conceived the idea of giving us permanent government, and promised to give us our independence as soon as we could stand on our own feet strongly and stably. It was Franklin Delano Roosevelt who granted us, by law, that independence, and fought for that independent sovereignty during the darkest hour of the Philippines.

But it remained for you, Mr. President, to give life, to give dignity, to give distinction, and what I expect will be security, for that new republic of the East. All of which makes us doubly grateful, not only to you but to this Nation of the United States. For this reason we are proud of you, and we are determined to make your handiwork an example of your noble career in your world mission.

May I offer a toast to the President of the United States, who today rules the whole world.

174 Veto of Bill Amending Provisions Relating to the Retirement of Reserve Personnel. *August 9, 1949*

To the House of Representatives:

I return herewith, without my approval, H.R. 5508 "An Act to amend the Army and Air Force Vitalization and Retirement Equalization Act of 1948".

The effect of this proposed legislation would be to amend sections 302 and 303 of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 (Public Law 810, 80th Congress) so as to make effective July 1, 1949, rather than June 29, 1948, those provisions of Title III requiring reserve personnel to earn credits for retirement. The bill also would amend section 306 to include within the definition of Federal Service, for the purposes of Title

III, service in "the National Guard or Organized Militia prior to June 3, 1916".

The first three sections of this bill are without objection. The Congress and the members of all reserve components may be assured that I would approve a bill limited to the purposes of these sections which seek affirmatively to correct an effect of the 1948 retirement act that was not intended.

When the Act was passed, it was believed that adequate authority had been granted to the Secretaries of the Army, the Navy and the Air Force to defer the effective date for earning retirement credits for a sufficient length of time to permit institution of programs under which active reserve personnel could qualify for retirement credits. However, a ruling issued by the Comptroller General in November of 1948 made the effective date of the Act June 29, 1948, some 6 months earlier than adequate programs for reserve training were generally available. As a result many reserves were denied the opportunity to complete a year of satisfactory federal service as defined in the law.

Section 4 of H.R. 5508 was not contained in this legislation when it was under consideration by the House Armed Services Committee. This section was added as an amendment, offered on the floor of the House of Representatives, in the belief that it would affect only six officers of the National Guard. Further study, however, indicates that this section would increase the number of persons immediately eligible for retired pay by a known number of 250, and would, by crediting additional years of non-federal service to certain personnel now on the retired list, increase the pay of 650 others. These costs would total $412,300 per year. I am advised that as many as 500 additional persons might also be made immediately eligible for retirement and that this annual cost might amount to $656,000. Thus, the unexpected cost of this section might reach a maximum annual figure of $1,068,300 for persons already of retirement age. Data are not available at this time from which an estimate can be made as to the number of other persons not yet of retirement age who, through the granting of additional years of service credit, would become eligible for retirement or an increased amount of retired pay on reaching the age of sixty years. Hence, the costs of prospective payments to this group cannot be estimated. Cost factors, however, are not the primary reasons why I am withholding my approval from the bill.

Extension of the service creditable toward reserve retirement to include non-federal service would establish an undesirable precedent. In defining the term "Federal service", the Congress excluded all service performed without Federal recognition. It seems to me that this intent is clearly indicated by categorical restriction of the types of creditable service in the National Guard or other state militia to those performed in:

"(1) the National Guard of the United States;

"(2) the National Guard while in the service of the United States;

"(3) the federally recognized National Guard prior to 1933;

"(4) a federally recognized status in the National Guard prior to 1933".

Further, section 306(e) of the Act specifically excludes from "Federal service", service in the inactive National Guard or Air National Guard, or in a non-federally recognized status in the National Guard or Air National Guard.

If such service should be considered creditable for Federal retirement, it would be difficult to restrict a further broadening of the base of the 1948 retirement act. Pre-

sumably, there would then be added other costs far in excess of those contemplated at the time of its enactment.

The basic purposes of Title III of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 were (1) to provide an incentive to reserve personnel to maintain a degree of military proficiency which would assure a strong and healthy reserve force in time of future emergency and (2) to recognize past service which had been performed by members of the Reserve in behalf of the Federal government without expectation of future benefit. If I were to approve H.R. 5508, I believe my action would defeat both these basic purposes.

HARRY S. TRUMAN

NOTE: The President's message and a copy of the bill are published in House Document 296 (81st Cong., 1st sess.).

175 Veto of Bill To Provide Without Charge Certain Information From the Census Records. *August* 9, 1949

To the House of Representatives:

I am returning herewith, without my approval, H.R. 142, amending section 18 of the Act entitled "An Act to provide for the fifteenth and subsequent decennial censuses and to provide for apportionment of Representatives in Congress."

The bill provides that no charge shall be made by the Bureau of the Census for supplying population data to members of the armed services or persons honorably discharged therefrom, or to persons requesting information as proof of age for the purpose of eligibility for old-age and survivorship insurance benefits.

The present fee of $1.00 for handling an application for population data has been in effect since July 1942 when it was instituted at the behest of the House Appropriations Committee. At that time the Appropriations Committee was following a policy of placing governmental services of this character on a self-sustaining basis insofar as possible. The original decision was sound, and in consonance with an equally sound policy of bringing about economy in government operations wherever possible.

In my 1948 Budget Message I stated, "While it is not sound public policy to charge for all services of the Federal Government on a full cost basis, and many services should be provided free, the Government should receive adequate compensation for certain services primarily of direct benefit to limited groups." I continue to hold this belief, and in this instance there seems to be no justification for abandoning present practice. Approval might well establish a precedent jeopardizing the established principle of charging fees for special services.

The fee charged in this case is nominal. The Government already bears the cost of maintaining the necessary records and the applicant pays only for the direct cost of searching the records and transmitting the information.

It is difficult to estimate the cost to the Government of supplying this information free of charge to the groups designated in the bill. The number of requests might be expected to rise significantly with the elimination of the fee so that the future workload for this operation could be uncertain. However, the Census Bureau estimates that the additional cost would approximate $136,000 annually. Although this is not a

large amount, it is an unnecessary expenditure of public funds.

HARRY S. TRUMAN

NOTE: The President's message and a copy of the bill are published in House Document 295 (81st Cong., 1st sess.).

176 Toasts of the President and President Quirino at a Dinner in Honor of President Truman. *August 9, 1949*

MR. PRESIDENT, I am extremely happy that you are not going home emptyhearted, and I am very sure you won't go home emptyhanded, either.

I appreciate most highly this presentation, and I shall treasure it all my life, and give it to my daughter.

I want to drink to the health of the first President of the Philippine Republic who has visited the United States of America.

May he live long and happily, and be prosperous as the President of the Philippines.

NOTE: The President proposed this toast at a dinner given in his honor at the Statler Hotel in Washington by President Quirino. The toast proposed by President Quirino follows:

Mr. President, and gentlemen:

I have traveled 10,000 miles to be able to present in person a likeness of a man who has deep love for the Philippine people, and whose friendship we now enjoy. He is a true friend, a true man. The only way we can enjoy his friendship is to wish that God keep him in health.

I may go home emptyhanded, but I am sure I will not go home emptyhearted.

I invite you, gentlemen, to join with me in wishing the President of the United States continued health.

177 Statement by the President Upon Signing the National Security Act Amendments of 1949. *August 10, 1949*

I HAVE today signed H.R. 5632, the National Security Act Amendments of 1949.

This legislation represents a major step toward more responsible and efficient administration of the military affairs of the Nation. It converts the National Military Establishment into a new executive Department of Defense, within which the former executive departments of the Army, Navy, and Air Force are included as military departments. It gives the Secretary of Defense, under the direction of the President, direction, authority and control over the Department of Defense, appropriate to his responsibility as head of that Department. It provides for a Deputy Secretary and three Assistant Secretaries of Defense, and for a Chairman of the Joint Chiefs of Staff, to assist the Secretary in carrying out his responsibilities. It provides for better financial management of the Department by requiring a "performance-type" budget, allowing greater flexibility in the control and use of funds, and establishing a Comptroller in the Department of Defense and in each of the military departments.

These provisions afford sound basis for further progress toward the unification of our Armed Forces and the unified management of our military affairs. I am very pleased that the legislation embodies most of the changes in the National Security Act which I have recommended to the Congress, and most of those recommended by the Commission on Organization of the Executive Branch.

It is unfortunate that in this generally progressive legislation at least one provision represents a backward step. New and cumbersome restrictions are placed on the membership of the National Security Council—whereas the desirable course would be to follow the recommendation of the Commission on Organization of the Executive Branch and remove the statutory restrictions on the Council's membership.

This legislation as a whole represents a great advance. Action will be taken under it, both immediately and in the long run, to achieve increased efficiency and economy and greater coordination of our military forces. I believe that this act will permit us to make real progress toward building a balanced and effective national defense.

NOTE: As enacted, H.R. 5632 is Public Law 216 (63 Stat. 578).

178 Joint Statement Following Discussions With the President of the Philippines. *August* 11, 1949

THE PRESIDENT of the Republic of the Philippines and the President of the United States of America have met in Washington and have discussed at length problems of common interest to the two nations. The spirit of these conversations has reflected the historic and unique relationship between the two countries. As in the past it was the aim of the United States that the Philippines should assume its rightful position as a free and self-reliant member of the world community, so today the United States looks forward to the preservation and strengthening of the position the Philippine Republic has achieved in order that it may make its full contribution to that community.

It is recognized that the capacity of the Philippine Republic to live up to the high hopes which events of the past three years have kindled must depend in part upon its economic situation. The two Presidents have discussed measures for the reinforcement and development of Philippine economy in terms of the recommendations of the report of the Joint Philippine-American Finance Commission issued in 1947, being convinced that the economic progress of the Philippines will be not only in the immediate interests of the two countries but will contribute vitally to the determination of free peoples to resist those forces which seek their enslavement so long as that menace shall threaten. The two Presidents are agreed that this resistance will be most effective in areas where the material well-being of the people allows a full appreciation of the meaning of freedom, and that conversely it is among peoples who have abandoned hope of individual betterment that the least resistance will be offered to those perverted forces which would destroy the ideals to which the two nations are dedicated.

The President of the Philippines has expressed the determination of his country to pursue with vigor the courses of action which offer the greatest promise; the President of the United States has reiterated the desire and intention of the United States to render all feasible assistance. The United States will continue to watch sympathetically the efforts of the peoples of Asia to forge stronger ties of economic cooperation and collaboration, to hasten the progress of self-government, and to preserve their freedom.

179 The President's News Conference of *August* 11, 1949

THE PRESIDENT. [1.] I have a couple of announcements to make. I sent down a "thank you" letter to General Eisenhower for his help on the reorganization bill.[1]

And, I am appointing General Bradley to be Chairman of the Chiefs of Staff; and have appointed Admiral Denfeld to be Chief of Naval Operations for another 2 years, from December 15, 1949. That's all the——

Q. Two years from next December 15th?

THE PRESIDENT. Two years from next December 15th, yes.

Q. Chief of Staff, sir? Did you say——

THE PRESIDENT. Chief of Naval Operations.

Q. In other words, that is a reappointment?

THE PRESIDENT. That is a reappointment.

Well, this letter, I want to tell you, is available for distribution when you go out—this letter to Eisenhower.

[2.] Q. Mr. President, is there anything you could tell us about a new Army Chief of Staff?

THE PRESIDENT. No. I am not ready to make that announcement yet.

[3.] Q. Mr. President, have you reached a decision on the SEC vacancy yet?

THE PRESIDENT. No. No, I have not.

[4.] Q. Mr. President, do you favor return of General MacArthur for discussion of the Far Eastern policy?

THE PRESIDENT. I think I made a statement to you about 2 years ago, when this same agitation was in force, that General MacArthur is at liberty to come home whenever he sees fit. Of course, it requires an order from the Commander in Chief to bring him home, but he hasn't indicated that he wants to come.

[5.] Q. Mr. President, do you think we are on the last mile on the back road to collectivism?

THE PRESIDENT. What's that? [*Laughter*] Say that again. It sounded funny to me.

Q. Do you think that we are on the last mile on the back road to collectivism?

THE PRESIDENT. I don't know what that is, but I don't think so. [*More laughter*]

[6.] Q. Mr. President, the spokesman for one of those steel companies, speaking to your board—Steelman's board—today, said that the appointment of that board marked a new social order and would force ruination of collective bargaining. Perhaps you have seen the whole statement?

THE PRESIDENT. No, I haven't seen the whole statement, but——

Q. You have heard something about it?

THE PRESIDENT. ——we have been appointing boards like that for—if I am not mistaken—for 15 or 20 years, and it hasn't ruined the country. Been very helpful.

Q. End of collective bargaining?

THE PRESIDENT. Oh no, it isn't anything of the kind.

[7.] Q. Mr. President, there is a great deal of interest in your plan for aiding areas of unemployment——

THE PRESIDENT. Yes, we are working at it now.

Q. ——but no one yet has been able to determine how the contracts will be channeled into those areas to avoid the public bidding——

THE PRESIDENT. That is not intended to avoid public bidding. It is a practical matter that is being worked out as fast as we can work it out. It takes a little time to do

[1] See Item 180.

a thing of that kind, and if we get a concrete result in 3 or 4 months, we will be doing pretty well.

Q. You intend to issue an Executive order calling for negotiating of contracts?

THE PRESIDENT. Whatever steps are necessary to implement the program as soon as it is ready to go forward. If it takes an order, I will issue it.

[8.] Q. Mr. President, will you approve the wage-hour bill passed by the House today?

THE PRESIDENT. I don't know the contents of the bill, and haven't read it, so I can't comment on it. When it comes up here to me, then I will either sign it or tell you why I won't.[2]

[9.] Q. Mr. President, do you think it was within the realm of propriety for your Military Aide and Veterans Affairs Coordinator to help a race track get permits for scarce materials when there was a scarcity of those materials for veterans housing?

THE PRESIDENT. I have no comment on that statement because I don't know that what you said is a fact or not.

Q. Except, Mr. President——

THE PRESIDENT. I say I don't know whether that is a fact or not, and you don't, either.

Q. No, except that it is the testimony of your Housing Expediter under oath, sir?

THE PRESIDENT. I have no comment to make on it.

Q. Is there any significance in General Vaughan's not being here? We can't see him from back here.

THE PRESIDENT. General Vaughan, I imagine, had some appointments in his office. Whenever he has an appointment, it is customary for him to stay. He is not afraid of you, don't worry about that. [*Laughter*]

[10.] Q. Mr. President, will General Bradley continue as Chief of Staff of the Army?

THE PRESIDENT. No, he will not. I will appoint a successor as soon as I decide on who it is to be.

[11.] Q. What did you say General Vaughan wasn't afraid of?

THE PRESIDENT. Of you. [*Laughter*]

Q. Mr. President, are you attempting to make any personal determinations of those facts?

THE PRESIDENT. No, I am not. That is not my business. I am not ordering the hearings. When I was in the Senate I got the facts for myself.

Q. Mr. President, if the Secretary of the Army decides in the case of General Vaughan, as he did in the cases of Generals Feldman and Waitt, that there was indicated indiscretion, will he be free to relieve him from active——

THE PRESIDENT. He will not.

[12.] Q. Mr. President, I got scooped. I notice out in Des Moines that you are going out there next week?

THE PRESIDENT. Well, we have it in contemplation, and as soon as the details are worked out, and if I can arrange to go, I will make formal announcement on it. You know how they do, they come in to invite me to things of that sort, and I say I would like to come, and then they go out and say "Well, he's coming."

Q. That is still tentative?

THE PRESIDENT. It is pending, and as soon as I can make the announcement, I will announce to you just exactly what I propose to do. I am sorry you got scooped. [*Laughter*]

[2] See Item 239.

[13.] Q. Mr. President, do you know whether General Vaughan is going to testify?

THE PRESIDENT. No, I do not.

Q. Is he free to testify?

THE PRESIDENT. He is at liberty to testify.

Q. He is at liberty to testify?

THE PRESIDENT. Sure. I announced that a long time ago.

[14.] Q. Mr. President, in your talks with the President of the Philippines, did the subject of a Pacific pact or Pacific union come up?

THE PRESIDENT. The communique which was released by the President of the Philippines and myself covers the conversation. It has been made a public document, and you have it, I think.

[15.] Q. Mr. President, has anything in the current Hill investigations so far changed your attitude toward General Vaughan?

THE PRESIDENT. Not the slightest.

[16.] Q. Mr. President, would you insist on Congress staying here until the passage of an aid to education bill?

THE PRESIDENT. That is the Congress's business. I hope they will do that. I rather think they will.

[17.] Q. Mr. President, have you any comment on Senator Vandenberg's idea on this arms program, 50 percent cash and 50 percent——

THE PRESIDENT. I haven't discussed the matter with General Vandenberg, so I can't comment.

Q. Senator.

THE PRESIDENT. *Senator* Vandenberg. I can't comment. There is a General Vandenberg, too. [*Laughter*]

[18.] Q. Mr. President, you referred a week ago to talks—exploratory talks—with the British and Canadians on the basic problems in the atomic energy field. I wondered how those talks have been going since——

THE PRESIDENT. I can't comment on them.

[19.] Q. Mr. President, have you talked to Senator Hoey about the possibility of General Vaughan testifying?

THE PRESIDENT. I have not. I haven't talked to Senator Hoey about the hearing at all, because I don't want in any way to influence Senator Hoey's judgment. I want him to get the facts and satisfy himself.[3]

[20.] Q. Mr. President, aside from your conversations with President Quirino, do you think it is a good idea—do you favor the approach of a south Pacific——

THE PRESIDENT. I can't comment on that at the present time.

[21.] Q. Mr. President, testimony brought out today at the hearing that General Vaughan got a deep-freeze unit. Are you considering one for the White House? [*Laughter*]

THE PRESIDENT. I don't know anything about it. I don't know anything about it.

Q. Mr. President, I saw a paragrapher's paragraph out there a minute ago, with reference to generals: Two down and Vaughan to go. [*Laughter*]

THE PRESIDENT. That must have been one of the displaced persons that came in.

[22.] Q. Mr. President, following publication of the white paper on China, will there be any change in our attitude toward Chinese Communist-dominated areas?

THE PRESIDENT. Say that again?

Q. Will there be any change in our attitude toward Communist-dominated areas of China?

THE PRESIDENT. The policy on China is the same policy that it has always been. We have never been favorable to the Communists.

[3] See note in Item 161 [5].

34-483—64——30

[23.] Q. Mr. President, are you going to get out a revised budget estimate this summer? You have always had one—on midyear plans——

THE PRESIDENT. The Budget now is working on a short budget which shows just exactly what the situation is. I can't get that out until the appropriation bill is passed. I was informed yesterday by Senator Hayden that—I think he has been in the Senate almost as long as I can remember—that never in his whole legislative, historical life had there been such a tangle up of appropriations as now exists, brought about by the Republican filibusters on every bill and every committee.

[24.] Q. Mr. President, we saw Mon Wallgren here today. Is it just a social call or——

THE PRESIDENT. Yes——

Q. ——are you considering a job for him?

THE PRESIDENT. ——Mon comes in to see me. Whenever he comes to see me, I am always glad to see him.

[25.] Q. Mr. President, have you put a ceiling of 13,400 million on the military budget for next year? Somebody reported——

THE PRESIDENT. No, I have not. The military budget for next year has not been made up, and it isn't ready for discussion. When I am ready to discuss it, I will tell you all about it.

Q. Somebody reported——

THE PRESIDENT. Oh yes, you always hear all sorts of reports before the budget comes out.

[26.] Q. Mr. President, in line with your statement just now that you are not favorable to the Communists in China, would you like to say definitely now that we will not recognize the government of China——

THE PRESIDENT. I am not in a position to say anything about the government of China. The white paper covers everything that I can say on China. Now read it, if you haven't already done it.

Q. Mr. President, do you consider this delay on the appropriations thing a reflection on the Chairman of the Senate Appropriations Committee?

THE PRESIDENT. I certainly do not.

Reporter: Thank you, Mr. President.

NOTE: President Truman's one hundred and ninety-third news conference was held in his office at the White House at 4 p.m. on Thursday, August 11, 1949.

180 Letter to General Eisenhower Thanking Him for His Services as Presiding Officer of the Joint Chiefs of Staff. *August* 11, 1949

My dear General Eisenhower:

When I asked you, last February, to serve temporarily as presiding officer of the Joint Chiefs of Staff, you responded like the good soldier you are. I know how greatly this assignment disrupted your plans, and I want you to know how much I appreciate all that you have done, as well as all that you will do in the future as a consultant and adviser.

The Chiefs have made outstanding progress since you became their presiding officer. This progress has come about because of two principal factors: the great effort you have put into the job, and the high regard for your objectivity and impartiality which all of the Chiefs have—a regard which all of them have mentioned to me on a number of occasions.

The nation is extremely fortunate to have had the benefit of this most recent service by

you. As President of the United States and as Commander-in-Chief, I want to thank you for a difficult job well done.

Sincerely yours,

HARRY S. TRUMAN

[General of the Army Dwight D. Eisenhower, President, Columbia University, New York, N.Y.]

NOTE: Gen. Dwight D. Eisenhower served as presiding officer of the Joint Chiefs of Staff from February 11, 1949, through August 11, 1949.

181 Letter to the Vice President on Reorganization Plans 1 and 2 of 1949. *August* 12, 1949

My dear Mr. Vice President:

I am informed that the Senate will soon take action on Reorganization Plans No. 1 and No. 2 of 1949.

I earnestly hope that this action will be favorable. These plans are of great importance in improving the organization and administration of the Federal Government. They are even more important as the first real test of whether the long and difficult effort to achieve increased economy and efficiency in Government is to succeed, or is to be blocked whenever any group fancies that its interests will be adversely affected. The action taken on these plans will demonstrate whether the many recent professions of support for increased efficiency and economy in Government are to be taken seriously or are to be written off as political oratory.

Under the leadership of former President Hoover, the Commission on Organization of the Executive Branch of the Government has made a careful study of ways to improve the management of the Federal Government. This Commission, composed of outstanding citizens from both political parties, has made a comprehensive report containing its recommendations. Two of its important recommendations are included in Reorganization Plans No. 1 and No. 2.

If these plans fail, the whole great endeavor to reorganize the Executive Branch in accordance with modern principles of administration and management will be imperiled.

It is because of the basic importance which these plans have to the whole concept of governmental reorganization that I take this means of urging the Senate to act favorably upon Reorganization Plans No. 1 and No. 2.

Reorganization Plan No. 1 would create a Department of Welfare to administer most of the activities now in the Federal Security Agency. Reorganization Plan No. 2 would transfer the Bureau of Employment Security from the Federal Security Agency to the Department of Labor.

The important changes which would be effected by these two plans were unanimously recommended by the Hoover Commission. When I submitted these plans, along with five others, I expected that there would be such general agreement with their objectives that they would gain ready acceptance by the Congress. However, a public campaign has been instigated against them, and a majority of the Senate Committee on Expenditures in the Executive Departments has recommended that they be disapproved by the Senate.

The principal objection which has been made to Reorganization Plan No. 1 is that it does not include all the recommendations of the Hoover Commission which would affect the Federal Security Agency. This is, of course, true, and I pointed it out in my

message to the Congress on Plan No. 1. But it is not, in my judgment, a valid objection to the plan. It is not possible to do everything at once. There is nothing in Plan No. 1 which would preclude further reorganization, either by reorganization plan or by legislation. Those who urge the transfer of additional functions into or out of the Federal Security Agency, or the establishment of a United Medical Administration, obviously will not achieve their purpose if Plan No. 1 is rejected. Nor will acceptance of the plan in any way prevent later action along the lines they desire.

It seems to me self-evident that the proper action now is to approve Plan No. 1, which is thoroughly constructive and desirable in itself, and to consider further reorganization in due course. This view is concurred in by President Hoover, who appeared before the Senate Committee and stated that this plan, and Plan No. 2, are desirable steps that should be taken now.

A claim has also been advanced that the reorganization proposed in Plan No. 1 would in some way commit the Congress to a course of action on my recommendations for a national health program. This claim is absurd. Good organization requires that we establish a Department of Welfare, regardless of what legislation the Congress enacts in the field of health. After the establishment of such a Department, the Congress will be just as free as it is now to determine national health policies.

The principal objection which has been made to Plan No. 2 is the claim that the Bureau of Employment Security is being administered more fairly and impartially in the Federal Security Agency than it would be in the Department of Labor. The facts refute this claim. The Department of Labor for years has administered programs for the collection and analysis of labor statistics, the establishment of labor standards, and the enforcement of wage and hour legislation. Honest and impartial treatment of labor and management has been demonstrated in the administration of these and other programs by the Department of Labor. Furthermore, the employment service functions of the Bureau of Employment Security for a number of years in the past were administered by the Department of Labor with conspicuous success and without bias. This claim of possible bias, contradicted by the plain facts, does not seem to me to constitute sensible grounds for attempting to block Plan No. 2.

Some question has been raised as to whether Plan No. 2 would result in increased efficiency or in economies in administration. The answer to this is clear. I pointed out in my message transmitting Plan No. 2 that transferring the Bureau of Employment Security to the Labor Department, which has as one of its principal functions the analysis and promotion of job opportunities, would result in placing more emphasis on finding employment for persons looking for work and less emphasis on paying them unemployment benefits. This is obviously the proper way to achieve more effective service to the unemployed and to reduce the cost of benefit payments. I pointed out that the transfer would permit closer working relationships between the Bureau of Employment Security and the several bureaus now in the Labor Department which have related functions. This, too, would obviously make for both efficiency and economy. I pointed out also that abolition of the Veterans' Placement Service Board and the integration of its work with that of the Bureau of Employment Security would achieve better and more economical employment service for veterans. For these reasons, among others, it is

clear that Plan No. 2 would contribute both to efficiency and economy in the operation of the Government.

The objections which are being urged against these two plans appear to me to be ill-founded and mistaken. These plans propose administrative changes, not changes in legislative policy. They will not change the policies of the Government with respect to its employment functions, or with respect to health matters. Those groups who are opposing these plans on such grounds are creating imaginary difficulties.

These plans were submitted at this time as part of the first series of reorganization plans because their desirability is widely accepted. If plans such as these are rejected, a serious blow will be dealt to the prospects for further progress. Every special interest group concerned with the operation of the Government will be encouraged to try to block further steps toward efficiency and economy.

I have discussed these plans within the last few days with President Hoover. He shares my concern that their rejection would be a real set-back to the effort to reorganize the Executive Branch of the Government.

These plans are a first step in moving forward under reorganization authority on the wide range of proposals for greater efficiency and economy submitted by the Commission on Organization. If we fail in this first step, there is small chance that we will ever accomplish the reforms for which the basis has been laid by the diligent, nonpartisan work of that Commission.

I trust, therefore, that the Senate will permit Reorganization Plans No. 1 and No. 2 to become effective.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Alben W. Barkley, Vice President of the United States, Washington, D.C.]

NOTE: Reorganization Plan 1 of 1949 was disapproved by the Senate on August 16, 1949 (S. Res. 147). (Congressional Record, vol. 95, p. 11520; Senate Report 851, 81st Cong., 1st sess.).

Reorganization Plan 2 of 1949 is published in the U.S. Statutes at Large (63 Stat. 1065) and in the 1949–1953 Compilation of title 3 of the Code of Federal Regulations, p. 998. It became effective on August 20, 1949. (See also Senate Report 852, 81st Cong., 1st sess.)

For the President's messages to the Congress on June 20, on Reorganization Plans 1 and 2, see Items 128 and 129.

182 The President's News Conference of *August* 18, 1949

THE PRESIDENT. [1.] Gentlemen, before we start, I have a brief statement I want to make to you.

[*Reading*] "At the outset, I do not intend to answer any questions pertaining to the testimony that has been given before Senator Hoey's subcommittee. General Vaughan already said that he will go before the committee and make a full statement on all matters with which his name has been connected, and I suggest to you, as the chairman of the committee has done, that you gentlemen and your editors in common fairness suspend judgment on General Vaughan until he has been heard by the committee." [1]

[1] On August 13, the White House released a statement by Maj. Gen. Harry H. Vaughan in which he explained that he had refrained from making any statement concerning the investigation being conducted by the subcommittee under the chairmanship of Senator Hoey, because he had informed the Committee that he would appear as a witness

(Footnote continued at bottom of next page.)

Now, if you have any questions on any other subject, I will answer them.

Q. Mr. President, is it mimeographed?

THE PRESIDENT. No. It will not be mimeographed. That is a statement from me directly to you.

Q. May we have that quoted, Mr. President?

Q. Can you read it slowly, sir, so that we can get it?

THE PRESIDENT. Well—[*reading*]—"At the outset——

Q. Just a second, Mr. President, we have a lot of gaps here.

THE PRESIDENT. "I want to say to you that I do not intend to answer any questions pertaining to the testimony that has been given before Senator Hoey's subcommittee.

The principal reason for that is all these committees have been—all these committee hearings have been behind closed doors, and everything that has come out has been leaks.

[*Continuing reading*] "General Vaughan has already said that he will go before the committee and make a full statement on all the matters with which his name has been connected——

Q. And make a full statement——

THE PRESIDENT. That's right. Then, of course, that will be a field day. *That* won't be behind closed doors, you can rest assured on that.

"I suggest, as the chairman of the committee has done——

Q. Mr. President, I am awfully slow this morning——

THE PRESIDENT. What's the matter with you, Tony,[2] did you have a bad night? [*Laughter*]

Q. I have a bad cold. Make a full statement of all the——

THE PRESIDENT. ——"matters with which his name has been connected." [*Pause*] Are you fixed now, Tony?

Q. I am with you now. [*Laughter*]

THE PRESIDENT. "I suggest, as the chairman of the committee has done, that you gentlemen and your editors——

Q. How about May,[3] Mr. President?

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at the proper time and make a full statement regarding all the matters with which his name had been connected. But due to recent reports involving the names of prominent persons he thought it best to make a public statement. In the release Vaughan stated:

"In 1945 I had a talk with two old friends of mine—Mr. Harry Hoffman and Mr. David Bennett. The subject of deep-freeze units came up, and I said that I would like to have one for my house and that I would also like to send one to the Little White House in Independence. Mr. Hoffman said that he was associated with a concern that was beginning to manufacture deep-freeze units, and that he thought he could get hold of some factory rejects. He asked me whether, if he found that he could obtain some of these units, I would want some for some of my associates.

"Later Mr. Hoffman informed me that he could obtain some deep-freeze units that did not have commercial market value, as they were experimental models. At that time I informed him that I would like to have him send one to me and one to the White House in Washington for the lunch room used by members of the staff. Also, I asked him to send one to the Little White House in Independence, Missouri, and to send other units to Mr. Fred Vinson, Mr. John Snyder, Mr. James K. Vardaman and Mr. Matthew J. Connelly. I had previously told them that I was going to get some deep-freeze units and that I would like each of them to have one.

"It is my recollection that the persons to whom the units were sent were not acquainted with either Mr. Hoffman or Mr. Bennett. They may have asked me later from whom I obtained the units and some acknowledgment of the receipt of the units may have been made to these men, or to either of them.

"The simple explanation of the entire matter is that Mr. Hoffman and Mr. Bennett desired to extend this courtesy to me as a friend, and I in turn made gifts of these units to certain friends of mine."

The hearings held by Senator Hoey's subcommittee are cited in a note to Item 161 [5].

[2] Ernest B. Vaccaro of the Associated Press.

[3] Mrs. May Craig of the Portland (Maine) Press Herald.

THE PRESIDENT. ——"in common fairness——

Q. How about May, Mr. President, is she in on this, too? I notice you said *gentlemen* only?

THE PRESIDENT. And May—and all the rest of the ladies—[*laughter*]—"in common fairness suspend judgment on General Vaughan until he has been heard by the committee."

Q. Mr. President, may I ask one question? Did I understand you to say the testimony had only been in closed sessions? There has been an open session——

THE PRESIDENT. That is what I have been informed.

Q. There have been many open sessions.

THE PRESIDENT. Most of them have been behind closed doors, particularly if they were friendly to Vaughan.

Q. Particularly *what,* Mr. President?

THE PRESIDENT. Particularly if they were friendly to Vaughan.

Q. May we quote that, sir?

Q. Was that the entire statement—we may quote that, sir?

THE PRESIDENT [*indicating the paper before him*]. *This* statement, yes.

Q. May I ask a question about admirals? [*Laughter*]

THE PRESIDENT. Sure. Fire away.

[2.] Q. It has been reported that Admiral Hillenkoetter [4] is going to be replaced. Could you say anything about it?

THE PRESIDENT. Admiral Hillenkoetter is an appointee of mine, and when he is replaced it will be announced here. I have no one under consideration to take his place, and he will not be replaced. That is about as emphatic as I can make it.

[3.] Q. Mr. President, Secretary Brannan is stumping the country for his farm plan. Shouldn't he be here more?

THE PRESIDENT. I couldn't hear you?

Q. Secretary Brannan is stumping the country for his farm plan. I think he has made about 10 speeches. Shouldn't his job keep him here more?

THE PRESIDENT. He is available whenever he is needed. He is on that tour at my suggestion.

[4.] Q. Mr. President, have you any comment on the Housing Expediter's decision to decontrol one-third of the rent control——

THE PRESIDENT. The only comment that I have to make is that the Congress did not appropriate enough money to enforce the rent control law, and all the Expediter can do is to use as much money as the Congress gave him. That's the only thing—that's all the trouble. We suggested to the Congress that they give him more money. There was more money in the budget for that purpose.

[5.] Q. Mr. President, considering the terrible reports of the earthquake suffered in Ecuador, would you wish to comment further on anything in the way of encouraging relief——

THE PRESIDENT. I think Dean Acheson covered that thoroughly yesterday; and it was done—his statement was made after consultation with me.[5]

[6.] Q. Mr. President, have the Mexican oil loan negotiations been resumed?

THE PRESIDENT. They are still under contemplation—under consideration. I don't know whether actually they have been resumed or not.

Q. Did you read the aide memoir between the two countries?

THE PRESIDENT. What?

Q. Did you read the aide memoir?

THE PRESIDENT. Yes Ma'am, I did.

[4] Rear Adm. Roscoe H. Hillenkoetter, Director, Central Intelligence Agency.

[5] See Department of State Bulletin, vol. 21, pp. 312–313.

Q. Any comment?

THE PRESIDENT. No comment.

[7.] Q. Mr. President, Senator George has called for a great reduction in taxes, and especially the elimination of the excise taxes. Since it seems that nothing can be gotten through this year, will you give your blessing to that movement next year?

THE PRESIDENT. If Senator George will find a source of revenue to keep the Government running, why then I have no objection to his reorganization of the tax structure. But the Government must have revenue to run. There has been a lot of yelling now about deficit financing, but so long as 80 percent of the budget is a fixed charge, and that budget has to run on that fixed charge, we have got to find the money to run it.

[8.] Q. Mr. President, do you have any plans for the future for the revival of Reorganization Plan 1, your welfare department plan?

THE PRESIDENT. When I am ready, I will answer that question. I don't want to answer it this morning.

[9.] Q. Mr. President, do you approve the Democratic National Committee decision not to invite the national committeemen from the four Dixiecrat States?

THE PRESIDENT. The National Democratic Committee is in control of its membership, and it is made up of Democrats.

[10.] Q. Mr. President, on that tax question, there was a bill submitted to tax exempt cooperatives, and so forth, to take up the difference between that and excise taxes. Any comment on that?

THE PRESIDENT. No comment.

[11.] Q. Mr. President, it was announced yesterday evening that Yugoslavia is to receive, or has received, a permit to make substantial industrial purchases here. Is there anything you would say on rejoining the ranks of countries that we will apparently befriend?

THE PRESIDENT. The National Security Council studied the situation as it affects Yugoslavia, and made a recommendation to me that this blooming mill be sent to them; and I ordered it sent.[6]

[12.] Q. Mr. President, I am sorry to revert back to the Vaughan thing, but there is going to be one question that is inevitably going to come up, when your statement comes up, and that is where the White House lays the blame or the responsibility for the fact that those sessions that were favorable to General Vaughan were closed sessions. Is there anything——

THE PRESIDENT. No further comment.

Q. All right, sir.

THE PRESIDENT. Draw your own conclusions.

[13.] Q. Mr. President, do you have any comment on Ambassador Kirk's call on Premier Stalin?

THE PRESIDENT. No comment. The American Ambassador reported fully to me about his call; and it was the usual call that an Ambassador makes on the head of a state.

[14.] Q. Mr. President, may I say that I have been covering a great many open sessions of that——

THE PRESIDENT. That's all right, Miss May. I am glad you covered them. [*Laughter*] You ought to know more about it than I do, because I haven't been there.

Q. They were open.

THE PRESIDENT. I don't know a thing about it at all, only what I saw in the papers.

[15.] Q. Mr. President, have you received that Mississippi River survey bill?

THE PRESIDENT. What's that?

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[6] The press reported that the President had authorized the sale of a $3 million steel-finishing mill to Yugoslavia.

Q. The Mississippi River survey bill, have you signed that yet?

THE PRESIDENT. I don't think so. I will sign it, if it comes up to me, because I suggested it.[7]

[16.] Q. Mr. President, is there any good news in Ambassador Kirk's report?

THE PRESIDENT. No bad news.

[17.] Q. Mr. President, are you going to take a vacation this summer or this fall?

THE PRESIDENT. Well now, you ask Congress about that. [*Laughter*] I am here as long as the Congress is here.

Q. Is there any possibility you may go to Long Beach, Calif.?

THE PRESIDENT. No, there is no possibility of that.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's one hundred and ninety-fourth news conference was held in his office at the White House at 10:30 a.m. on Thursday, August 18, 1949.

[7] On August 24, 1949, the President signed H.R. 1997, a bill to authorize the survey of a proposed Mississippi River Parkway (Public Law 262, 63 Stat. 626).

183 Letter to the Speaker Concerning Irrigation in the Grand Prairie Area of Arkansas. *August* 22, 1949

My dear Mr. Speaker:

I understand that the House may soon consider H.R. 5472, a bill to authorize the Corps of Engineers, Department of the Army, to undertake various river and harbor and flood control projects.

One project in this bill, that for Grand Prairie Region and Bayou Meto Basin, Arkansas, raises certain questions of national policy which I should like to bring to the attention of the House.

This project consists of two distinct parts, the first being flood control and major drainage in the Bayou Meto area, at an estimated cost of about $6,000,000, and the second being the provision of a supplemental water supply for farming in the Grand Prairie area, at an estimated cost of about $19,000,000.

In its present form, the bill would authorize both parts of the project for construction, but would authorize the appropriation of funds only for the flood control and major drainage feature.

There is general agreement that the flood control and major drainage features of the project are needed and should be authorized for construction by the Corps of Engineers, under the basic policies of the flood control laws.

There is also general agreement that there is need for the development of supplemental irrigation works in the Grand Prairie region, since the existing agricultural land use is dependent upon pumping from an underground water supply which is gradually diminishing. Supplemental water supplies are needed in order to maintain and expand local farming operations.

However, the recommendations in the report of the Chief of Engineers for a pumping plant and canals to furnish needed supplemental water supplies raise important questions of national policy. These questions include the extent to which the cost of the irrigation works should be repaid to the Federal Government by the farmers to be benefited, the method of repayment, and the extent of individual landholdings which should benefit.

These matters are covered by the reclama-

tion laws, and other Federal legislation concerning the furnishing of water supplies, in States where those laws have been applied. But this project will be located in Arkansas, where those laws have not been applied.

Therefore the policies established in connection with this project will be extremely important. They will be precedents for other water supply projects which may be constructed in the future in other States where present legislation has not been applied. They also involve the question of the Government treating equitably farmers with similar problems but who live in different areas.

Because of the complex nature of the problems involved, they should have the most careful study before this project is authorized, in order to make sure that the policies established for this one project are indeed equitable and form a desirable precedent for future work of a similar nature.

The House Committee on Public Works, in reporting this bill, recognized some of these difficulties, and limited the funds authorized for initiating the project to those needed for flood control and major drainage. This means that, although the irrigation development would be authorized by this bill, the appropriation of funds for that purpose would not be authorized. Consequently, further authorizations would be necessary before funds could be made available for the irrigation development and construction started.

As a practical matter, therefore, work on the irrigation development, under this bill, could not be started at the earliest until late next year. Under these circumstances, it is apparent that there is time for more careful study of the matter. I recommend, therefore, that H.R. 5472 be amended so as to eliminate, at this time, the authorization for undertaking the irrigation part of the project. I am having the various policy questions investigated further within the Executive Branch, and expect to submit fully considered recommendations to the next session of the Congress.

At that time, I believe that legislation can be enacted which will provide needed assistance to the farmers of the Grand Prairie area as rapidly as would be accomplished under H.R. 5472 as now written, but without doing violence to the principle of a uniform and equitable national irrigation policy.

Very sincerely yours,

HARRY S. TRUMAN

[The Honorable Sam Rayburn, Speaker of the House of Representatives]

NOTE: An identical letter to the Honorable Dennis Chavez, chairman of the Committee of Public Works, United States Senate, was released on August 25.

On May 17, 1950, the President signed H.R. 5472, the River and Harbor Act of 1950 (Public Law 516, 64 Stat. 163).

Public Law 516 contains the following provision: "The project for Grand Prairie Region and Bayou Meto Basin, Arkansas, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 255, Eighty-first Congress, first session, and there is authorized to be appropriated the sum of $6,000,000 for partial accomplishment of the work: *Provided,* That the project will be constructed with such modifications as in the discretion of the Secretary of the Army and the Chief of Engineers may be advisable: *Provided further,* That payments made by local interests to the United States shall not be made in agricultural products, but shall be made in cash" (64 Stat. 174).

184 Address in Miami at the Golden Jubilee Convention of the Veterans of Foreign Wars. *August 22, 1949*

Mr. Commander in Chief, distinguished guests, fellow members of the Veterans of Foreign Wars:

I am happy to be in Miami today to help celebrate the Golden Jubilee Anniversary of this organization. I want to thank you for that gold card, this Golden Jubilee cap, this membership certificate here, and this scroll of honor. I appreciate all those things. I am particularly happy to have this Missouri mule.

I am proud to be a member of the oldest active veterans organization in the Nation. For 50 years the V.F.W. has been serving not only the interests of the men who have fought for our country in foreign lands, but also the interests of our whole Nation.

I have watched the splendid humanitarian work which our organization carries on. I have also been gratified by the record of the V.F.W. in other fields, and particularly in the field of international policy. I recall the United Nations Rally in 1942, at the 43d National Encampment in Cincinnati, to which 14 allied nations sent representatives. I remember the Victory Conference in 1945 at our Chicago Encampment, where representatives from 21 allied nations met to discuss the value of cooperation in war and the importance of continuing international cooperation in time of peace. The V.F.W. has continued this fine record by its strong support of the North Atlantic Treaty.

I am particularly pleased that you have asked me to be here on the day the V.F.W. is honoring distinguished representatives from other countries which have joined in the North Atlantic Treaty. The presence of veterans from most of the treaty countries, meeting with our own veterans, is symbolic of the spirit that binds together the free nations of the world.

All the countries that signed the treaty have learned the tragic cost of war. All of us have learned how weakness invites aggression—how democratic countries, unless they stand together, can be taken over one by one. And now, all of us are determined that, by joint efforts and a common defense, we shall become strong enough to prevent another terrible conflict.

Four years ago, when the war ended, the world entered a new phase of human history. There were many who believed that the world would quickly return to its old ways. Many believed that the countries of the world would work their way, peacefully and in cooperation, back to conditions of stability and prosperity. And that is what we all pray for.

But the effects of this last war were too far-reaching to permit such an easy adjustment. The destruction had been too great to allow a quick recovery. The accumulated wealth of generations had been poured out and lost in the conflict. Conditions of world trade had been fundamentally altered. As a result of the upheaval, many peoples demanded new rights and new responsibilities. Men who had lived for centuries in economic or political servitude asked for independence and a fair share of the good things of life.

The war against tyranny was sustained by belief in the "Four Freedoms." Men refused to yield to dictatorship because they desired and believed they could secure conditions of material and spiritual freedom. When the war ended, they demanded to be treated as free men. They demanded a world in which they could attain security and liberty.

This demand cannot be suppressed. It must not be frustrated. It presents a challenge to us and to the values of our civilization which will require all our energies and wisdom to satisfy.

One pretended answer to this demand of mankind is offered by organized communism. But that answer is a false one. Communism claims to satisfy the universal desire for a better life. But, in fact, it lures men by false promises back to tyranny and slavery—and more and more people, all over the world, are learning that fact. Some of them to their cost.

The free nations of the world offer a different answer to the demand of mankind for security and liberty. Our answer is based upon voluntary association among free nations, mutual adjustment of our common problems, and combined economic effort. We are convinced that through these means the world can achieve economic progress and at the same time maintain and expand democratic freedoms. We are convinced that our answer will prevail.

The people of the United States have been meeting this challenge. In 4 short years they have done more in the cause of world peace and world recovery than any nation has ever before been called upon to do.

We are not alone in this effort. Many nations which share our democratic values and our traditions are working with us. Without these allies in the cause of peace, our task would be entirely hopeless. We can win a permanent peace only through the joint efforts of free nations striving toward the same objective.

To achieve a better world we must prevent international violence. Unless protection against war can be secured, all efforts for the advancement of mankind will fail. One of the most important aspects of our foreign policy, therefore, is our effort to establish international order.

To this end, we have joined with other nations in creating a world organization which would outlaw aggression and establish a means of settling international disputes.

The principles of the United Nations are still our goal. We have undertaken to defend and preserve them. We will keep that pledge.

Shortly after the end of the war, however, it became apparent that the United Nations could not live up to all our hopes for it until all nations were united in the desire for peace. It became necessary, therefore, for the free countries to take action to defend the principles of that organization and to preserve it.

By an overwhelming bipartisan vote, the Congress approved my recommendation early in 1947 that the United States help Greece and Turkey resist Communist pressures. Our prompt action preserved the integrity of both those countries.

By an equally overwhelming vote in 1948, the Congress approved our joint enterprise with 16 European nations to achieve economic recovery. The European recovery program has prevented general collapse in Europe, and has given hope to all countries who want to see the world resume the course of economic progress.

While we are working with our friends in Europe, we are also working with our friends and neighbors in this hemisphere. The Pact of Rio de Janeiro, signed in September 1947, binds the nations of North and South America together in a defensive alliance.

The United States and 11 other nations have now joined in the North Atlantic Treaty. Like the Rio Pact, this is a pledge of mutual assistance by nations which are determined to protect their independence.

It is based on the principle that an armed attack on one nation is an attack on all.

The next task is to back up this principle with military assistance to European nations, and to certain other nations, which are unable to build up their defenses without outside help.

I have recommended to the Congress that the United States supply three kinds of military assistance to friendly democratic nations in need of our help. First, we should help them increase their own military production. Second, we should transfer to them some essential items of military equipment. Third, we should send some of our experts abroad to help train and equip their military forces.

Now, some people who do not understand the state of the world very well have tried to make the military assistance program seem a difficult and confused issue. On the contrary, it is very simple.

The purpose of the military assistance program is to prevent aggression. Our European partners in the North Atlantic Treaty are not strong enough today to defend themselves effectively. Since the end of the war they have been concentrating on rebuilding their war-torn economies. We can strengthen them, and ourselves, by transferring some military means to them, and by joining with them in a common defense plan. The military assistance program is based on the same principle of self-help and mutual aid that is the cornerstone of the European recovery program and the North Atlantic Treaty.

We are not arming ourselves and our friends to start a fight with anybody. We are building defenses so that we won't have to fight. In two instances, if we had been ready there would have been no war.

Our aid will be limited to the material necessary to equip mobile defense forces. These forces will constitute no threat to the independence of other nations. The democratic nations have no desire for aggression; they only want to be able to defend their homes.

Most of our assistance under this program will go to Atlantic Treaty countries, but we will also help certain other nations whose security is important to world peace. We must continue our aid to Greece and Turkey. We should help Iran maintain its firm stand against Soviet pressure. And, in the Far East, two young republics—the Philippines and Korea—need military assistance if they are to maintain their national security.

If it were possible, we would prefer that these bulwarks against aggression be established by the United Nations. We hope the peace of the world will some day be enforced by security forces under the control and direction of the United Nations.

We have been working for that.

But the Soviet Union has blocked every effort to establish an effective international police force and to free the world from the fear of aggression. For that reason, we have had to join other friendly nations in forming regional defense pacts.

The United Nations Charter was wisely drawn to permit these regional defense pacts and other collective security arrangements which are consistent with the great principles of that charter. The military assistance program will help the United Nations to operate more effectively by increasing the collective as well as the individual ability of free countries to resist aggression.

The military assistance program and the European recovery program are part and parcel of the same policy. There is the closest relationship between economic re-

covery and military defense. On the one hand, economic recovery will lag if the haunting fear of military aggression is widespread. Such fear will prevent new investments from being made and new industries from being established. On the other hand, if protection against aggression is assured, economic recovery will move forward more rapidly. Sound economic recovery and adequate military defense must be carried forward together in balance. That is exactly what we propose to do.

Great progress has been made in economic recovery in Europe. The production of the Western nations of Europe has been rising steadily. To continue the momentum of this economic advance it is necessary now to remove the obstacles created by the fear of military aggression.

We should therefore undertake a program of military assistance without delay. The cost of such a program is considerable, but it represents an investment in security that will be worth many times its cost. It is part of the price of peace. Which is better, to make expenditures to save the peace, or to risk all our resources and assets in another war?

Peace with freedom and justice cannot be bought cheaply. No single program can bring it about, nor can any single nation. It can only be assured by the combined efforts of the multitudes of people throughout the world who want a secure peace. They are our friends and they are friends worth having. We must keep them our friends if the world is to be a decent place for our children and their children to live in.

We must face the fact that we have forever put behind us the false security of isolationism. We have done so because we have learned—and learned the hard way—that, in the world of today, isolationism is a futile and vulnerable shield. We have learned that the defense of the United States and the defense of other freedom-loving nations are indivisible. We have learned that we can serve our country best by joining in the common defense of the rights of all mankind.

The Congress of the United States in noble words has set out certain purposes of the Veterans of Foreign Wars. Our organization is pledged; and I quote from the act:

"To maintain true allegiance to the Government of the United States of America, and fidelity to its Constitution and laws; to foster true patriotism; to maintain and extend the institutions of American freedom; to persevere and defend the United States from all her enemies."

In the fulfillment of those high purposes, I enlist your support to the end that we may preserve in the ways of peace with the same vigor and determination with which we fought our country's wars.

I thank you.

NOTE: The President spoke at 12:30 p.m. at Dinner Key Stadium in Miami, Fla. His opening words "Mr. Commander in Chief" referred to Lyall T. Beggs, the commander in chief of the Veterans of Foreign Wars.

The "Missouri mule" referred to by the President was a bronze statuette of a kicking mule, presented to him by the Jackson County Missouri Council of Veterans of Foreign Wars.

After he had finished speaking, Mr. Truman was presented with a Gold Medal, the highest award of the Veterans of Foreign Wars. The President responded as follows:

"Mr. Commander in Chief: I want to express to you my sincere appreciation for this very high honor you have given me. I hope that I deserve it, and I hope that I can continue to work toward that peace, and in the end successfully attain it. I am sure that is exactly what we are going to do."

The address was broadcast over the radio.

185 Veto of Bill for the Construction and Operation of the Vermejo Reclamation Project, New Mexico. *August 23, 1949*

To the House of Representatives:

I am returning without my approval H.R. 3788, "To authorize the Secretary of the Interior to construct, operate and maintain the Vermejo reclamation project, New Mexico."

The bill would authorize the Secretary of the Interior, through the Bureau of Reclamation, to construct, operate and maintain the Vermejo reclamation project for the purposes of irrigation approximately 7,200 acres of semi-arid land in Colfax County, New Mexico; controlling floods; providing for the preservation and propagation of fish and wildlife; and providing recreational facilities.

The total cost of this project is estimated to be $2,959,000 with tentative allocations as follows:

Reimbursable:	
Irrigation	$1,788,080
Nonreimbursable:	
Sediment control	222,000
Fish and wildlife	718,590
Recreation	134,880
Flood control	95,450

The project report shows the benefit-cost to be 1.76 to 1.

It is estimated that the reimbursable costs would be repaid by the water users without interest in sixty-seven years (plus a seven-year development period). This estimate is based upon an economic analysis which indicates that the water users will be able to meet annual water charges of $6.30 per acre. Of this amount $2.61 per acre will be required for operation and maintenance, thus leaving $3.69 per acre available for application against construction charges.

These estimates of the ability of the water users to repay the costs allocated to irrigation were not officially reviewed by the Department of Agriculture in the usual manner before the Congress took action on this bill. Time has not permitted such review to be made within the period allowed for Presidential action on enrolled bills. Therefore, I am unable to report to the Congress whether the conclusions reached by the Bureau of Reclamation with regard to the agricultural and economic feasibility of the proposed plan are concurred in by the Department of Agriculture.

While I consider this to be a serious deficiency, I am more concerned about the fact that there are included in the $1,170,920, proposed to be charged off against nonreimbursable benefits, classes of such benefits not now permitted under Federally constructed irrigation projects. Neither sediment control nor recreation is currently authorized as a benefit against which nonreimbursable allocations of costs may be made. It seems to me highly questionable to approve the inclusion of such benefits with respect to this one project before the Congress has reviewed the desirability of making charges to such benefits generally possible under basic reclamation law.

Furthermore, it is proposed to allocate $718,590 for fish and wildlife. While such nonreimbursable allocations are permitted in water resources development projects, they are usually restricted in scope to the prevention of loss of and damage to wildlife. In this project, about one-half of the allocation is proposed as a benefit from the creation of a wildlife management and development area of 5,200 acres not required for operation of the irrigation project or for protection of existing wildlife resources of this specific area. There are instances where water fowl eventually discover and use some of the backwater areas of Federally

owned reservoirs where no allocation of cost is assigned for wildlife benefits. If such use develops into substantial proportions, an appropriate area may later be established as a refuge for such water fowl without in any manner affecting cost allocations. Such areas are then operated and maintained by the Fish and Wildlife Service. The creation of new wildlife areas is normally a part of the regular program of the Fish and Wildlife Service. In this instance, because the area is made up of low-lying land in the district and since it is located along an important fly-way, the establishment of resting and nesting areas for water fowl has been included in the project. It seems to me this establishes a dangerous precedent for charging off an appreciable amount of the actual project costs.

The costs allocated to flood control are relatively small and permitted under reclamation law. However, they have been differently computed by the Secretary of the Army. His letter of May 19, 1949 to the Secretary of the Interior points out that assuming a fifty-year useful project life and a 3% interest rate, the annual flood control benefits are considered to justify flood control costs of only $72,800 as compared with the $95,450 figure computed by the Bureau of Reclamation. The relationship between this allocation and that for sediment control which was inserted by the Congress, is not apparent.

I wish also to point out to the Congress that H.R. 3788 deals with another issue which I believe should be first considered in basic law. I refer to the authorized period of repayment. There has been a tendency during our some forty-five years of experience under the reclamation laws to increase the period of repayment of construction costs. Despite this trend I believe the matter of further extensions to periods greatly in excess of the forty years (plus, in some cases, a ten-year development period) now generally authorized, is a matter of such vital concern to the nation as a whole that it should be carefully reviewed as a principle of general application. It is not a matter to be treated in piecemeal and isolated consideration on the basis of apparent needs of one or another small project to which no need for urgent action is attached.

The policy with respect to the repayment period for rehabilitation and betterment of Federally constructed reclamation projects has not yet been established although two measures dealing with this problem are now pending (H.R. 1694 and S. 1239). There seems to be no reason why rehabilitation and betterment of a single non-Federally constructed reclamation project should receive treatment which may be different from that finally authorized for Federal projects.

On July 29, 1949, when I approved the bill authorizing the Federal Government to take over the Fort Sumner irrigation project, I indicated that my action was in recognition of an emergency created by the unsafe condition of the dam, which is threatened with destruction if a flood should occur. I further pointed out that approval of that bill did not constitute a precedent for the approval in the future of other bills authorizing Federal assistance for individual projects where no emergency exists. None of the facts before me supports the conclusion of emergency in connection with the Vermejo project.

The Vermejo project can no longer be self-sustaining because the financial resources of the land owners are insufficient to accomplish the needed rehabilitation. Similar conditions undoubtedly prevail in other irrigation districts. I believe that an equitable and just basis for granting Federal aid to any irrigation district which is in financial distress should be established by enactment

or legislation similar to that under which the Federal Government formerly carried on a program for extendng assistance to non-Federal irrigation districts.

The records indicate that there are 86 land owners and 45 farm operators within the Vermejo district. I sympathize fully with the situation in which they find themselves, and I recognize that in disapproving H.R. 3788 I am taking an action which they may at first find it difficult to understand. Nevertheless, I believe that they will accept my action as an indication of the need for basic legislation under which all projects requiring Federal assistance will be treated alike. Recommendations for such legislation are being developed for presentation to the next session of the Congress. If the Congress acts upon them promptly, little time will have been lost and there will be established principles for Federal aid which can be equitably administered over the years as needs arise.

HARRY S. TRUMAN

186 Remarks to a Group of South Carolinians. *August* 23, 1949

Ladies and gentlemen, and distinguished Members of the Congress from South Carolina:

It certainly is a most cordial invitation which you have given to me, and one which it would be exceedingly hard to refuse.

I hope that some time when business is not so pressing on me as it is at present that I may pay another visit to South Carolina.

I have been there many a time. I was there at an azalea festival with John Garner, and I have been there on several other occasions, when I didn't attract so much attention as I do now; and I enjoyed the visits every time. People are naturally hospitable and cordial.

I am very happy to have you here and to meet each and every one of you. I hope that you will do me the favor of allowing me to shake hands with you as a group, for the simple reason that I have several delegations coming in today—more than usual. As you know, I shake hands with 30 or 40,000 people every year. Last year I shook hands with 200,000, and the arm's getting kinda tired. So, if you will allow me to shake hands with you collectively instead of individually, I will consider it a personal favor.

And I will count that in your favor when I go to make up my mind as to whether I will come or not.

Thank you very much.

NOTE: The President spoke at 11:10 a.m. in the Rose Garden at the White House.

187 Remarks to a Group of Exchange Teachers From Great Britain. *August* 23, 1949

I THINK this is a wonderful experiment, because you are going to find out just exactly what we think, how we live, and how we act. Our exchange teachers will have the same privilege in your great country. In that way, we will learn to understand each other better.

The Philippine Foreign Minister the

other day told me that the reason for the extreme loyalty of the Philippines in the last war was the American schoolteachers who had been with them for the last 40 years.

We need no such reason to be friendly and loyal when trouble is on us, because we are always side by side on that. But I think there will be better understanding of our—well, I might say our shortcomings and our idiosyncrasies, which sometimes are not agreeable when not well understood. And that is the way with all the different peoples of the world. When we understand the other fellow's viewpoint—understand what he is trying to do, 9 times out of 10 he is trying to do right.

And I am hopeful that you will carry back to your respective countries a good opinion of this country, and that when our people come back there will be complete understanding between us—no chance for any misunderstanding or falling out.

I hope you have a pleasant tour with us, and that when you go back you will be in as happy a frame of mind as you are now.

Thank you very much.

NOTE: The President spoke at 12:20 p.m. in the Rose Garden at the White House.

The teachers were in the United States under the provisions of the United States Information and Educational Exchange Act of 1948, Public Law 402 (62 Stat. 6).

188 Statement by the President on the Coming Into Effect of the North Atlantic Treaty. *August* 24, 1949

WITH THE deposit of instruments of ratification by Denmark, France, Italy, and Portugal, the North Atlantic Treaty today enters into effect. This is a momentous occasion not only for all the signatories of the treaty, but for all peoples who share our profound desire for stability and peaceful development.

By this treaty we are not only seeking to establish freedom from aggression and from the use of force in the North Atlantic community, but we are also actively striving to promote and preserve peace throughout the world. In these endeavors, we are acting within the framework of the United Nations Charter, which imposes on us all the most solemn obligations.

These obligations, which bind us to settle international disputes by peaceful means, to refrain from the threat or use of force against the territory or independence of any country, and to support the United Nations in any action it may take to preserve peace, are all clearly stated in the North Atlantic Treaty.

Today, as this treaty comes into effect, it seems particularly appropriate to rededicate ourselves to the carrying out of the great task we have set for ourselves—the preservation of stability and peace. No nation need fear the results of our cooperation toward this end. On the contrary, the more closely the nations of the Atlantic community can work together for peace, the better for all people everywhere.

NOTE: The North Atlantic Treaty was signed at Washington on April 4, 1949. Ratification was advised by the Senate on July 21 and the Treaty was ratified by the President on July 25. It entered into force on August 24, and is published in the U.S. Statutes at Large (63 Stat. 2241).

See Items 68, 75, 162, and 225.

189 Remarks at the Swearing In of Associate Justice Tom Clark. *August* 24, 1949

FOR THE last time Mr. Attorney General, I hand you a Commission as Justice of the Supreme Court of the United States.

We have had a great Attorney General for the last 4 years, and we will have a great Justice of the Court from now on.

I present you to your wonderful chief.

NOTE: The President spoke at 3:10 p.m. in the Rose Garden at the White House. Following the President's remarks, Mr. Clark was sworn in as an Associate Justice of the United States Supreme Court by Fred M. Vinson, Chief Justice of the United States.

190 Remarks at a Dinner Honoring William Boyle, New Chairman of the Democratic National Committee. *August* 24, 1949

Mr. Vice President, Mr. Chairman, Mr. Attorney General:

You know, it is a great thing to have the chairman of the National Democratic Committee from the suburb of my hometown. It is a great thing to have the Vice President of the United States interested in the spirit of St. Louis at the other end of the State, and it is a magnificent thing to have the new Attorney General from that great State of Rhode Island, which has produced so many great men.

I am overwhelmed at the way the situation has worked out. I don't think the Democratic Party, in the history of the Nation, has ever been in better condition to carry the battle to the foe.

Our platform at Philadelphia was specific. It was explained by the then National Chairman Howard McGrath, by the Vice President, and by me—and by all the workers in the trenches. It was explained in words of one syllable, written so that everybody understood the things for which we stood.

The Republicans and the opposition press were so thoroughly depressed at what happended to them on November 2d last that they have carried on a continuous filibuster in the House and Senate of the United States, in an effort to defeat the platform that the people wanted carried out.

They will not succeed!

That platform is in the interests of the people. The Democratic Party is the party of the people. The Democratic Party is a national party, and not a sectional party any more. The tail no longer wags the dog. We won the election last November without New York, without the industrial East, and without the solid South. And I am prouder of that than anything that has ever happened to me.

And that doesn't mean that we are not inviting the industrial East, and the solid South, and all the rest of the country to join the party of the people, and help the country go forward. That is exactly what we want, and that is exactly what we are going to accomplish in the next 2 years.

We have brought in a number of able and distinguished young Congressmen, a number of able and distinguished young Senators, and new Senators; and next year we will bring in a large number of new Congressmen and new Senators, and we will carry out that platform, don't think we won't!

I am as happy as I can be, of course, that my lifetime friend—I have known him ever since he was a kid—I knew his mother before him, and she was one of the best Democrats that Missouri ever produced—is the National Chairman of the Democratic Party. He succeeds a great National Chairman. I thought he was a great National Chairman because I made him Attorney General of the United States, the supreme law officer of the land. And I put his predecessor on the greatest court in the world. Tom Clark was an able and distinguished Attorney General, and he will make a great and distinguished justice on the greatest court in the country.

There are many "I's" in this, but I am taking the credit for all these maneuvers. They will help the Democratic Party, and I am not ashamed of a single one of them. And I am here to tell you people, who are the backbone of the Democratic Party, that the National Democratic Party is the nucleus and the organization of the Democratic Party, and we are going forward with this great National Democratic Committee, and this leadership, which we have here today.

I can't tell you how much I appreciate your asking me to come over here tonight. If you hadn't asked me, I would have come anyway. It is a privilege and a pleasure, you know, to meet with your friends, and to discuss with them the things in which they are interested. And when we have a Vice President, such as we have, who is telling the country—all the great cities in the country, including St. Louis—what the Democratic Party stands for, we can't help but go forward.

We are represented here from every section of this great United States, and I invite all those people who are interested in the welfare of this great Republic of ours, who are interested in the peace of the world, for which we are striving, to get into the Democratic Party and help us go forward with it.

Thank you very much.

NOTE: The President spoke at 9:10 p.m. at the Mayflower Hotel in Washington. His opening words referred to Alben W. Barkley, Vice President of the United States; William Boyle, chairman of the Democratic National Committee; and J. Howard McGrath, Attorney General, and former Democratic National Committee chairman. Later in the course of his remarks, the President referred to Tom Clark, former Attorney General, who had been sworn in as a member of the United States Supreme Court earlier in the day.

191 Remarks to the Delegates of Girls Nation. *August* 25, 1949

IT IS a very great pleasure to have you young ladies here this morning. One young lady, who lives in South Carolina, asked me if in 5 years she might be an ambassador. I told her that she might, if she studied hard and learned all about foreign affairs. But, I couldn't make her any promises because that is a year or two beyond the time when my term will expire.

I hope you have had a good and instructive tour here. I hope you will know more about government when you leave than when you came. People ought to understand everything in connection with this Government of theirs, for the simple reason that it is the greatest government in the history of the world. It is the best government in the history of the world, and it will con-

tinue to be that best government if you young people will keep informed on it, and keep up with it, and on election day go and vote your sentiments, so that the continuation of this Republic will be assured.

Because, the responsibility of government—this Government—in the next few years is going to be on your shoulders. All of us old people will be out of the way by that time, and you not only may be able to be an ambassador, you might have this terrible job which I have; that is, President of the United States, and you might get a chance to live over there in that great white jail, with the balcony and everything.

It's a lot of fun to contemplate. Most of the time it is a lot of fun to do it, but it means a tremendous amount of hard work. You have got to be willing to work not only 8 hours a day but 18 hours a day, and sometimes 24.

Thank you very much.

NOTE: The President spoke at 12:10 p.m. in the Rose Garden at the White House. The delegates were in Washington attending the Third Girls Nation of the American Legion Auxiliary.

192 The President's News Conference of *August* 25, 1949

THE PRESIDENT. I have no special announcements to make. I will try to answer questions, if you have any.

[1.] Q. Mr. President, were you aware that in August 1945 the State Department was informed that you were personally interested in getting John Maragon to Italy? [1]

THE PRESIDENT. Same answer to that question as last week. After General Vaughan has testified, then I will answer your question. Not before.

[2.] Q. Sir, last night there was an implication from Mr. McGrath that you might personally campaign in 1950?

THE PRESIDENT. That is a possibility.

[3.] Q. Mr. President, when you talked to the Girls Nation this morning you didn't sound like a candidate for another term in 1952?

THE PRESIDENT. Well, I think that was the implication intended.

Q. Well, the stable is filled up with runners.

Q. You are going to run again, aren't you, sir?

THE PRESIDENT. I will answer that question when the time comes. I am not in Coolidge's position, who said "I am not—I do not choose to run."

[4.] Q. Would you like to see former Governor Lehman accept the nomination for the Senate of the United States?

THE PRESIDENT. I would be happy to see Governor Lehman in the Senate of the United States. That is up to the State of New York, however. I am not in New York politics.

[5.] Q. Mr. President, what is your policy on Federal loans for toll roads?

THE PRESIDENT. Federal loans for toll roads? The Reconstruction Finance Corporation has been making that sort of loan, and they are good, and there is nothing wrong with them.

[6.] Q. Is there a possibility that you will campaign in 1950 outside of Missouri?

THE PRESIDENT. There might be a possibility, after the tickets are made up. I won't be in the primary. I will be trying to elect Democratic Congressmen after they are nominated.

[1] See note in Item 200.

Q. You won't limit it to Missouri, sir?

THE PRESIDENT. Not necessarily. I will go any place I please.

Q. That isn't the primary, sir?

THE PRESIDENT. That isn't the primary. After the nominations are all made, and the chips are down for the election.

Q. Will you go into Ohio?

THE PRESIDENT. I can't answer specific questions. You will have to wait until things develop.

[7.] Q. Mr. President, due to the considerable—the great amount of publicity, would you care to make any personal observation of your general attitude concerning the prospective talks with the British on economic matters?

THE PRESIDENT. There can be no comment on that.

[8.] Q. Mr. President, do you believe that failure to pass the military public works bill at this session of Congress will seriously hamper defense work in Alaska?

THE PRESIDENT. I surely do. I know it will, in fact.

[9.] Q. Mr. President, it has been reported that you intend to appoint Robert Murphy Ambassador to Belgium. Is that correct?

THE PRESIDENT. I haven't heard of that. There will be an announcement if that does take place, and you will know in plenty of time so that no one will scoop you.[2]

[10.] Q. Mr. President, many Members of Congress who have been screaming for economy are screaming the other way now, when Secretary Johnson announced some. Have you anything to say on that?

THE PRESIDENT. Well, don't you know that it's a solid rule that the economy must always be in the other fellow's district and not mine? That has always been the case. When I was in the Senate I was very careful to see that Missouri didn't get gypped out of anything.

[11.] Q. Mr. President, have there been any concrete developments on the Mexican loan?

THE PRESIDENT. No concrete developments. Same answer as last week.

[12.] Q. Mr. President, did you see Byron Skelton of Texas?

THE PRESIDENT. No, I didn't see him, unless I met him last night. I met so many last night I can't remember those I did meet. I had no conversation with him.

[13.] Q. Mr. President, are you saying you do not agree with Secretary Johnson on the cutting off of——

THE PRESIDENT. Secretary Johnson is following instructions from the President. We told the country that the reorganization of the military would result in economies, and it will. That's the demonstration of it.

[14.] Q. Mr. President, do you think you will be referring to any developments on the Mexican oil loan by the time the Mexican parliament meets next week?

THE PRESIDENT. I can't answer the question.

[15.] Q. Mr. President, will complaints from Members of Congress deter you in that regard?

THE PRESIDENT. Not the slightest. Not the slightest. We are trying to make an efficient defense setup, and we will have one before we get through.

[16.] Q. Mr. President, do you intend to reappoint Lowell Mason to the Federal Trade Commission.

THE PRESIDENT. It has not come up yet, but I probably will reappoint him.[3]

[2] On September 21, 1949, the Senate confirmed the appointment of Robert Murphy as Ambassador to Belgium.

[3] On October 6, 1949, the Senate confirmed the reappointment of Lowell Mason to the Federal Trade Commission for a term of 7 years.

[17.] Q. Mr. President, Congress put back $238 million in contract authority for those veterans hospitals that were cut out earlier——

THE PRESIDENT. That is another economy measure that doesn't seem to meet the general approval. You know, I think there were 16,000 beds called for in that program, and we had 5,000 beds vacant; and the reason for that cut was that we had neither the doctors nor the patients to occupy those extra beds. The hospital construction program, of course, is a local district proposition.

[18.] Q. Mr. President, do you have any plans to go to St. Louis for the World Series?

THE PRESIDENT. Well, I would like to see the Cardinals win, of course, and I could be tempted very easily.

[19.] Q. Mr. President, did you see Mr. Pendergast today?

THE PRESIDENT. Yes. I saw him yesterday, too. And last night! [*Laughter*]

Q. Mr. President, what about?

THE PRESIDENT. Yes, I say what about it? [*More laughter*]

Q. You know——

THE PRESIDENT. Yes, what about it?

Q. ——I didn't have an "it" on the end of it.

THE PRESIDENT. That's my business. He is a friend of mine. I saw him because I wanted to, and I'll see him again whenever I get ready.

[20.] Q. Do you expect to go to Bill Boyle's homecoming? [4]

THE PRESIDENT. I told the committee this morning that I hoped to be able to get there. I never can tell this far in advance, whether I can go or not. Naturally, I would like to be present.

[21.] Q. Mr. President, in view of your talk this morning with Ambassador McDonald of Israel, can you tell us your present view of the Arab refugee problem?

THE PRESIDENT. I think that view has been expressed; and that was a confidential conversation between the Ambassador and myself, and I have no comment to make.

[22.] Q. Mr. President, what do you think of the adjournment?

THE PRESIDENT. What's that?

Q. What do you think of the adjournment that's up in Congress—vacation?

THE PRESIDENT. I understood that it was a recess, and the Congress is in control of its own actions. It is not necessary for them to consult the Executive when they want to take a recess.

[23.] Q. Mr. President, Senator Lucas gave a list of more or less "must" bills, I believe yesterday afternoon. Do you feel Congress should stay here until most of that work is enacted?

THE PRESIDENT. I think I made that statement along in January or February, and it still stands.

[24.] Q. Mr. President, about the British financial talks again, there have been recriminations on both sides——

THE PRESIDENT. I think all the recriminations have all been in the newspapers, and nowhere else.

Q. Well——

THE PRESIDENT. There have been no recriminations——

Q. ——in Congress there were——

THE PRESIDENT. ——no recriminations between the two governments.

Q. Well, do you expect some good to come of them?

THE PRESIDENT. Yes. I wouldn't have the conference, if we didn't expect some good to come from them.

There's a cartoon—I was going to say

[4] For the President's address in Kansas City at a dinner honoring Democratic National Chairman William M. Boyle, Jr., on September 29, see Item 220.

there's a good cartoon in the Star the other day—I have to give Joe Fox a boost every once in a while——

Joseph A. Fox (Washington Star): I'm in left field. [*Laughter*]

THE PRESIDENT. ——that cartoon showed Uncle Sam on one side of the ocean and John Bull on the other, very amiable to each other, but there are two little boys which say *newspaperman,* pitching bricks to each other. [*Laughter*]

Q. Did you see the cartoon with Senator Kem as Paul Revere yelling "The British Are Coming"?

THE PRESIDENT. Yes, I saw it. That would be Kem all right.

Reporter: Thank you, Mr. President.

NOTE: President Truman's one hundred and ninety-fifth news conference was held in his office at the White House at 4 p.m. on Thursday, August 25, 1949.

193 Statement by the President on the Appointment of Gordon R. Clapp as Chairman of an Economic Survey Mission to the Near East. *August* 26, 1949

THE SECRETARY GENERAL of the United Nations has today announced the appointment of a distinguished American, Gordon R. Clapp, chairman of the Board of Directors of the Tennessee Valley Authority, as chairman of an economic survey mission which is being created on recommendation of the Palestine Conciliation Commission.

Mr. Clapp will head a mission composed of experts, recruited on an international basis, which will examine the economic situation arising from the recent hostilities in the Near East and will recommend to the Conciliation Commission means of overcoming resultant economic dislocations, of reintegrating the refugees into the economic life of the area, and of creating economic conditions which will be conducive to the establishment of permanent peace. In view of the urgency of the problem, it is expected that the survey mission will complete its work in a comparatively short time, and Mr. Clapp will then resume his duties with the Tennessee Valley Authority.

The United States Government has attached the greatest significance to the work of the Conciliation Commission in facilitating settlement of issues outstanding between Israel and the Arab States. This Government now pledges full support to the newly created economic mission and stands ready to give careful consideration to such assistance as we might appropriately render, under the auspices of the United Nations, in carrying out the recommendations of the mission. I am confident that the United Nations and its member states which are in a position to render assistance will do likewise.

Traditional American cultural interests in the Near East have in recent years been reinforced by expanding economic and commercial ties and by recognition of the important role of that historical crossroads between three continents in the maintenance of peace and security of the world of today. This steady expansion of our relations with the Near East has given rise to a natural interest on the part of this Government in the welfare of the governments and peoples of that area. In so saying, however, I wish to emphasize that now as in the past we have no ax of special privilege to grind. We

do, however, have an obvious community of interest with the countries of the Near East, and it is proper that we should give that relationship the careful and understanding consideration which it merits.

It is only since the First World War that most of the states in the Near East began their march toward self-government and independence. These states have now become their own masters. There is no doubt that the long struggles for independence, as well as the recent hostilities, have made it difficult for the peoples of the area to achieve progressive development in their economic and social institutions. The United States is deeply conscious of these needs and of the relationship between their satisfactory solution and healthy progress in the political field.

With the termination of the recent Arab-Israeli hostilities, the governments and the peoples of the Near East should now be in a position to devote the full measure of their abilities and resources to their economic and social betterment. In my inaugural address of January 20, 1949, I expressed the desire of this Government to extend technical assistance to underdeveloped areas under the so-called "Point Four" program. The application of this program to the Near East would be of material assistance in reinforcing any program which might be formulated on the basis of the recommendations of the economic survey mission.

It would be oversimplifying the problem, however, to imply that solution of the economic problems of the Near East depends wholly upon outside assistance. It is only through the initiative and cooperation of the states of the Near East that progress can be made toward the solution of their own grave problems. Progress can be made only if the states of the Near East collaborate along harmonious and constructive lines, seeking no advantage one over the other, but seeking, through expansion of trade and the exchange of skills and capital, the development of their resources for their common benefit. Progress can be made only when basic security is assured through removal of threats of aggression, and full reliance is placed on peaceful negotiation and on the United Nations for settlement of disputes. Progress can be made only if underlying conditions are modified to permit the people of the Near East to share, in proportion to their effort, the products of the soil and factories. All solutions can be reached in time through democratic and peaceful processes.

I am convinced that, if the Near Eastern nations affected by the recent hostilities will put aside their differences and bend their energies to constructive cooperation, they can find a basis on which to build permanent peace and stability. The United States stands ready to lend a firm and helping hand in such an endeavor.

NOTE: For the statement by the President on the United Nations Economic Survey Mission to the Middle East, made public by the White House on December 30, 1949, see Item 274.

194 Remarks in Philadelphia at the American Legion Convention Luncheon. *August* 29, 1949

Mr. Chairman, Governor Duff, distinguished guests and fellow Legionnaires, and those who have been so kind as to help make this 31st Legion Convention a success:

I appreciate most highly the courtesies which have been extended to me. I appre-

ciate very much the privilege of riding behind that famous Horse Guard, which I understand has escorted every President that has come to Philadelphia since George Washington. It is a wonderful turnout, and it makes a horse artilleryman homesick to see horses once more in use.

I am scheduled, as you know, to discuss some national interests at the American Legion Convention about 3 o'clock, and I am sorry that I can't make you a keynote speech here now. It wouldn't be fair to the Legionnaires who are responsible for my presence here today, although I am a delegate, you understand, from Missouri. I have been a delegate from Missouri for 31 years, and I hope I will have the privilege of being a delegate for 31 more years. I hope all of you will tune in and listen to the keynote speech.

You know, I was particularly interested to meet the president of the Union League Club. The first time I ever had luncheon in Philadelphia I was the guest of the Grand Lodge of Philadelphia of Masons, and he took me to the Union League Club for lunch; and I had a grand luncheon and enjoyed it immensely. And I want to say that the windows of the League Club were filled as I went by today, and they applauded. I appreciated that more than anything.

I hope all of you will turn on your radios and listen to what I have to say. It is not a Legionnaire speech, it is a speech on international affairs which affects the welfare of the Nation in days to come, and one in which you will be particularly interested. I didn't intend to give myself a plug when I got up here.

I had been hopeful that I would be able to compliment the young singer who was going to appear up there on the balcony, and would have entertained you much better than I have. I want to thank that orchestra for playing all my favorites. I was listening every time they played. I still like music. Some people think the country would have been much better off if I had gone ahead and been a professional musician.

Thank you very much.

NOTE: The President spoke at 2:10 p.m. at the Bellevue-Stratford Hotel in Philadelphia. His opening words referred to Albert Greenfield, chairman of the Citizens Reception Committee, and James H. Duff, Governor of Pennsylvania. He later referred to Henry B. Bryans, president of the Union League Club, and to the singer, Mario Lanza.

195 Address in Philadelphia at the American Legion Convention. *August* 29, 1949

Mr. Commander, members of the Auxiliary, comrades of the American Legion:

I am happy to be here with the American Legion again at their annual convention.

At the Legion convention last year, I talked to you about your Government's efforts to achieve world peace based on freedom and justice. Today, I am going to talk to you again about peace, because I think that is the most important thing in the world, and I know that you agree with me.

Last week at Miami, before another convention of veterans, I discussed our efforts to protect nations against aggression and to preserve the principles of the United Nations. I talked about our collective security agreements and the necessity of providing military aid to other countries to support those agreements.

Today, I would like to talk about another

equally important aspect of our efforts to achieve a lasting peace—that is, our international economic policy.

I find that there is a good deal of misunderstanding and misinformation about our international economic policy. Some of this is deliberately stirred up by certain newspapers and politicians strictly for political reasons. Some of it is due to the fact that the economic problems of the world seem to be distant from our daily lives and hard to understand.

World economic problems are undoubtedly complex. But their importance to us is very clear. World prosperity is necessary to world peace. Furthermore, world prosperity is necessary to our own prosperity here in the United States. If these facts are kept in mind, it will be easier to understand what this country is trying to do.

In working for prosperity in the postwar world, the nations of the world face new problems—and greater ones than they have ever faced before. They are suffering from the terrible after-effects of the war, which caused an almost complete breakdown of European industry and of world trade. There is also the rising demand of men all over the world for independence, and for a greater share of the good things of life which only a restored and expanding economic system can bring. Added to these two problems there is a third. This is the attempt of organized communism to achieve economic and political domination of the world through the misuse of the desires and aspirations of mankind.

These problems require the combined efforts of the free nations. Together, we must repair the damage of war, complete the restoration of the economy of Europe, and revive world trade. We must go forward to establish an expanding world economy in which men everywhere can work to satisfy their desire for freedom and a better life. We must demonstrate that the economic system of the free nations is better than the system of communism.

The free nations are determined to avoid the mistakes of the past. The roots of the present economic problems go back to the First World War. After that war, the nations of the world made the mistake of following narrow and shortsighted policies of economic nationalism. Each country, working for its own selfish interest, tried to get the best of the others. Each nation erected trade barriers to keep out the products of other nations. You all remember Hawley-Smoot and what it did to the country eventually. Each nation tried to dump its own products in foreign markets.

These policies were self-defeating. They achieved neither national nor international prosperity. Instead, they helped to bring on the worst depression the world has ever seen.

Factories closed down all over the world. Ships lay idle in harbors. Surplus crops rotted in the fields. Unemployment grew and hunger became widespread.

In every country, there were hundreds of thousands of young men and women without jobs and without hope for the future. Many of these young people became the prey of unscrupulous demagogues. They joined the Black Shirts of Italy and the Storm Troopers of Germany. They were the tools of the Japanese militarists. In the end, they marched to war under the bloody banners of those dictatorships.

Before the end of World War II, we resolved that the international economic chaos which had led to war should not occur again. We knew that permanent peace could not exist if the nations of the world resumed the policy of dog-eat-dog.

Consequently, the United States joined

with other nations to prepare for a peaceful economic world. The International Monetary Fund was set up to deal with exchange and monetary problems among nations. The International Bank was established to provide investment capital for reconstruction and development. In our proposals for a world trade organization, the United States outlined a method for breaking down the trade barriers which had strangled world commerce in the period between the two wars. As the war ended, we made billions of dollars available to relieve suffering and repair the damage of war. We are proud of that accomplishment.

These were good beginnings. Never before in history had nations made such careful, long-range plans for a better economic future. For the first time in the history of the world the victors attempted to bring the vanquished back to life and to prevent their people from starving to death. It has never been done before in the history of the world. And I am proud we did it.

Shortly after the war ended, however, it became apparent that the economic life of the world was more badly disrupted than anyone had expected.

Still further difficulties were created when it became clear that the Soviet Union would not join in working for world economic recovery. Russia was hostile to European economic cooperation. Russia refused to join in the European recovery program, and prevented its satellites from joining. Russia's aggressive foreign policy created alarms and fears that hampered recovery. On every hand, there was evidence that the policy of the Soviet Union was aimed at prolonging the distress and suffering of free nations.

If we had been discouraged by these difficulties and had abandoned our efforts, the results would have been disastrous. Once again the streets of Europe would have been filled with crowds of hungry and hopeless men and women. Once again, unscrupulous agitators would have used these angry millions to create tyranny and slavery.

But the nations did not let this happen. The free nations went ahead with our recovery programs. As a result, production has risen greatly in Europe. Men and women there have jobs and food and a hope for the future. They know that the democratic way is the way of hope.

The free nations have overcome the danger of immediate postwar collapse, but we have yet to achieve the sound and expanding world economy that is necessary for a lasting prosperity and peace.

This larger task is the one that now confronts us.

The free nations have the resources and the means to accomplish that task.

Together, they have most of the industrial capacity of the world. They have vast supplies of raw materials. They have industrious and skillful populations. The free nations together have all the elements necessary to provide a better way of life for mankind. What is needed is to draw these elements together into a continually expanding and productive international economy.

Such a world economy is vital, not only to the cause of world peace, but also to our own national prosperity and security. We in the United States depend upon foreign countries for many vital minerals and other raw materials. Without foreign trade, many of our industries would suffer. Without foreign trade, for example, it would be difficult, if not impossible, for us to develop atomic energy. Moreover, we need to sell many things abroad. Our cotton, our wheat, our tobacco, for example, must have foreign markets. Our prosperity would be seriously damaged if the export of our products were cut off.

We cannot, therefore, fall back into economic isolationism. Instead, we must take every action we can to bring about more trade, expanding markets, and growth and development in other countries as well as our own.

One of the most serious difficulties we face is the fact that, at present, foreign nations need to buy more things from us than we need to buy from them. They have called upon us for food and raw materials in unprecedented amounts. Furthermore, many countries need equipment and machinery, which only we can supply, if they are to develop their own resources and raise their own standards of living.

The urgent demand which foreign countries have for these things far exceeds their present ability to pay for them. As a result, world trade is now seriously out of balance.

We have both short-range and long-range plans for meeting these difficulties. We will continue the European recovery program as our principal means of meeting emergency needs in the next 3 years. At the same time, we are moving ahead with long-range measures.

We are encouraging American business to make productive investments abroad in increasing volume. Through such investments, foreign countries—especially underprivileged areas—will be able to obtain the equipment that they so desperately need.

We are also planning to help the people in underprivileged areas to learn modern industrial and agricultural methods. By this means, they will be able to double and redouble their production. By this means, they will be able to make an increased contribution to an expanding world economy and a balanced world trade.

In addition, we must continue our well-established policy of negotiating reciprocal trade agreements in order to reduce barriers to international trade. These agreements enable us to buy more from other nations at the same time that they help to maintain markets abroad for our own products. We must increase our buying abroad if we are to achieve a balanced world trade.

Furthermore, we are encouraging closer regional ties among nations in order to lower trade barriers and increase production.

The nations of Europe, under the stimulus of our aid, are working toward closer ties of economic union. Already, through the Organization for European Economic Cooperation, they have begun to make joint decisions that affect their basic economic policies. In the Council of Europe, now meeting at Strasbourg, more far-reaching measures of European union are being considered.

Closer economic union means a difficult period of transition for the countries that enter into it, but it is essential for a better world. The United States will do what it can to aid the European nations to achieve greater unity.

As we go ahead with these long-range measures for a stable and growing world economy, we shall have to adjust our actions to changing conditions. We shall need to be alert to new developments, and turn to advantage every possible resource.

We shall be concerned in the months immediately ahead with certain special and urgent problems arising out of the present unbalanced state of world trade. Representatives of the United Kingdom and Canada will soon be here to discuss some of these problems. We look upon these talks as discussions among friends about problems which affect us all, and in the solution of which we all have a common interest. The people of this country are well aware of what the war meant to Great Britain and of the

stresses and strains which have been laid upon the British people in recent years. The representatives of the United Kingdom will find here a warm personal welcome and may be assured that these mutual problems will be examined by us in a spirit of friendliness and helpfulness.

In our discussions with the representatives of the United Kingdom and Canada, as in our approach to problems with other nations, we must keep clearly in mind the basic underlying principles upon which the economic policy of the free nations must be based.

The first principle which we should clearly understand is that a sound and expanding world economy is essential to world peace. International economic discussions revolve around such prosaic things as tobacco and rubber and rates of interest and the value of currencies. But, behind all these, lie the great objectives of satisfying the material and spiritual needs of mankind and preserving democratic freedom.

The second principle which should be clearly understood is that we are trying to expand the exchange of goods and services among nations. Sound and prosperous relations among nations rest upon the exchange of goods and services on a business basis. We are not engaged in a charitable enterprise. We are not looking for trick solutions to deep-seated problems.

The third principle is that we cannot succeed in creating a sound and expanding world economy unless we keep everlastingly at it. There are times, no doubt, when we shall become impatient or annoyed by delays and obstacles. But we cannot throw in our hand and walk out of the game. Nor can any other nation afford to do that. The path of mutual adjustment and combined economic effort is not an easy one. The economic interests of nations are not easily reconciled. No group can get all it wants. But there is no other way to the solution of our difficulties than the way of mutual concession and cooperation.

The fourth principle is that the democratic nations are not proposing to interfere in one another's internal politics. We know very well how we would feel if some foreign nation tried to tell us how to vote. We recognize that each nation has its own political problems and that it uses different political labels and different slogans from those we use at home. In the same way, nations have different business practices and different governmental devices for achieving the same economic ends.

A community of democratic nations cannot insist on uniformity in matters of politics or business. The only uniformity on which they can insist—and this is what binds them together as free nations—is a firm adherence to democracy—true democracy, not the fake kind put out by the Communists—coupled with a common desire to improve the standard of living of all of their citizens.

On the basis of these four principles, the free nations of the world can solve the difficulties which confront them. On the basis of these principles, they can achieve their goal of a sound and expanding world economy.

There is one more thing for us, as Americans, to remember. Our country is the most important economic unit in the world today. The future of the world depends upon the continuation of our own economic growth and development. If we can continue to increase our national income, and to raise our standards of living, the solution of international economic problems will be far less difficult.

Every one of us has a responsibility in building a peaceful world, and I am very sure that there is not a man here who does

not want to see that peace in the world in the future. We can contribute to that cause in our daily lives, in our jobs, in our thinking. We contribute to peace when we work for the prosperity and growth of the United States. We contribute to peace when we reject the claims of those selfish interests, here and abroad, that would turn us against the cause of international cooperation. We contribute to peace when we ask for Divine guidance and help for the efforts of mankind to establish understanding and good will among the nations of the world.

NOTE: The President spoke at 3 p.m. at Convention Hall in Philadelphia. His opening words "Mr. Commander" referred to Perry Brown, National Commander of the American Legion. The address was broadcast over radio.

At the close of the address Secretary of Defense Louis Johnson, a past National Commander, presented the President with the American Legion Distinguished Service Medal. The President responded as follows:

"Mr. Commander, Mr. Secretary:

"You know, I have been a Legionnaire for—well, I would hate to say, about 30 years. As I said awhile ago, this is the 31st meeting of the American Legion, and its organization is now in its 31st year in the interests of the veterans of World War I, World War II, and the welfare of the United States of America. That comes first.

"I want to thank you for this wonderful medal. I hope I can deserve it. I shall treasure it highly and do my best to live up to it.

"I am reminded by your Commander that I have been in this hall once before. I see banners from South Dakota, Missouri, Tennessee, Washington, and Oregon, and it was about the same then, only we were here for a different purpose. I am very happy that we are.

"Again I want to thank you most sincerely for your kindness to me, and for the medal, which I hope I shall always earn.

"Thank you very much."

In recalling that he had been in the hall before the President referred to his nomination by the Democratic National Convention in 1948.

196 Statement by the President Upon Signing Bill for the Construction of the Weber Basin Reclamation Project, Utah. *August* 30, 1949

I HAVE approved S. 2391, to authorize the construction, operation, and maintenance of the Weber Basin reclamation project, Utah.

This bill will authorize the Secretary of the Interior, through the Bureau of Reclamation, to construct, operate, and maintain the Weber Basin project for the purposes of supplying irrigation water to 70,000 acres of new lands and supplemental water to 30,000 acres of land now inadequately irrigated; supplying municipal, industrial, and domestic water; controlling floods; generating and selling electricity; and for other beneficial purposes.

I have signed this bill with reluctance because it was enacted without following the normal procedures for obtaining full information and adequate review concerning irrigation projects before authorization. The bill appears to have been enacted on the basis of the information contained in a preliminary report of the Regional Director of the Bureau of Reclamation. This report had not been reviewed by other interested agencies or by the Executive Office. So far as I know, there has been no final report on the project by the Secretary of the Interior or the Commissioner of Reclamation.

The enactment of this bill under these circumstances raises a number of serious questions. These questions are raised because there has not been sufficient opportunity to review the adequacy of the data contained in the report of the Regional

Director, and because the bill represents in some respects basic departures from the established reclamation law.

I have given my approval to the bill only because I am convinced, after careful study and after discussions with several Members of Congress from Utah, that the project is basically sound and that it will be possible to overcome the most serious difficulties arising from the lack of adequate consideration before the project was authorized.

The provisions of the bill which appear to be most questionable are as follows:

1. It authorizes the repayment of irrigation water supply costs over a period of 60 years instead of the period of 40 years which has prevailed heretofore under the reclamation law.

2. The project report of the Regional Director contemplates a nonreimbursable allocation of cost in the amount of $4,656,000 for recreation. The allocation of cost to recreational facilities is not now authorized under reclamation law. If the allocation authorized in connection with the project were uniformly applied as a precedent, it would ultimately involve the Government in the expenditure of hundreds of millions of dollars.

3. Under the proposed repayment plan for the project, the amounts repaid by municipal and industrial users would be applied first to the repayment of the cost allocated to municipal and industrial purposes, and then to the repayment of part of the cost allocated to irrigation—all of this on a basis which would provide total revenues over a period of 60 years sufficient only to cover the total reimbursable cost without interest. Thus, in addition to receiving no interest on the reimbursable irrigation cost, the Government would also receive no interest on the reimbursable cost for municipal and industrial uses.

4. The report on the project was not referred to the Department of the Army for review and comment by the Chief of Engineers in accordance with the provisions of section 1 of the Flood Control Act of 1944. Consequently, the Corps of Engineers has had no adequate opportunity to consider the phases of the project in which it is interested. On the basis of such study as he has had time to make, however, the Chief of Engineers raises serious questions as to the amount allocated for flood control.

5. The report on the project was not made available to the Department of Agriculture. Consequently, it has not been possible for that Department to express its views with regard to the agricultural and economic feasibility of the proposed plan.

There is no urgency for immediate construction of the Weber Basin project. In fact, the plans of the Bureau of Reclamation call for construction to be spread over a period of 12 years. I believe, therefore, that the objections to the present authorization can, for the most part, be eliminated—some of them by future action of the Congress, and some by the exercise of the discretion which the bill fortunately permits.

The bill does not commit the Secretary of the Interior to the cost allocations made in the report of the Regional Director. It is flexible enough to permit an apportionment of the cost on an equitable and sound basis consistent with the facilities and system of operation finally adopted for the project. The construction of the proposed recreational facilities can be postponed until such time as the Congress has enacted basic standards for the allocation of costs to recreational purposes in connection with reclamation projects. The questions of proper allocation of flood control benefits and construction costs can be resolved between the Secretaries of the Interior and the Army.

Additional information concerning the ability of water users to repay the costs of irrigation features of the project can be developed in consultation with the Department of Agriculture. The questions of a 60-year repayment period and interest on the reimbursable costs for municipal and industrial water users will be reconsidered when a complete study of this project is available.

For the foregoing reasons, I am directing the Secretary of the Interior to take the following steps: To complete his study of this project and submit a final report; to defer initiation of construction of any of the recreational facilities pending determination of a national policy on recreation at water resources development projects; to work out with the Department of the Army a sound flood control plan and cost allocations; to consult with the Department of Agriculture on the ability of the water users to repay the costs of the irrigation features; to make such other adjustments in the plans, estimates, cost allocations, and repayment obligations as may be required on the basis of the above and the data which will become available when detailed surveys, engineering designs, and refined estimates are completed; and to defer final negotiations on any repayment contracts with the water users until definite repayment amounts and conditions are settled.

I do not intend to submit any requests for construction appropriations until the above preparation has been accomplished and it is known as surely as possible what is going to be done, how much it will cost, how much is going to be repaid and when. It would seem that this plan for proceeding with the Weber Basin project is only fair to the water users who will eventually have to return to the United States the investment allocated to irrigation and municipal water supplies.

I have always favored a sound water resources development program and the authorization of additional projects as needs arise and as they are found to be justified. I consider it essential that the program be not jeopardized by premature authorization of projects in advance of resolution of questionable features. To do so may lead to unsound action which will endanger the success of our whole reclamation program.

NOTE: As enacted, S. 2391 is Public Law 273 (63 Stat. 677).

197 Remarks to the Conference of the President's Committee on National Employ the Physically Handicapped Week. *August* 30, 1949

I HAVE just signed a proclamation here which is authorized by an act of Congress, entitled National Employ the Physically Handicapped Week for 1949, and it starts on the 2d day of October.

It is a request to all Governors, and State officials, and the officials of the National Government, and all organizations, fraternal organizations, labor unions, and everybody who is interested in the welfare of this physically handicapped program, to start off on the 2d of October for another year of effort. The past one has been a very successful one, so I understand. I am particularly interested in this program, and am anxious to see it a continuing success.

I am working at it from both ends. I am doing everything I possibly can to restore the physically handicapped to the point where they can be self-supporting, and I am doing everything I possibly can to prevent physical handicaps from happening.

I have had meetings in session after session with Governors, and organizations, with the idea of preventing the unnecessary crippling of people. There are millions of people who have been injured unnecessarily, through plain carelessness on their own part, or on the part of some other source.

That, I think, is just as important as the rehabilitation, because if we are successful in the first, we won't have so much to do in the second—although there are unavoidable accidents which sometimes happen in spite of all you can do.

As a result of those accidents, and as a result of war, we must continue to work to the very best of our ability to see that these people are given a better outlook on life, because when a person feels that he is a part of society, and that he is necessary for the welfare of that society, he makes a better citizen, and he makes himself a happier life.

Thank you very much.

NOTE: The President spoke at 3:50 p.m. in the Rose Garden at the White House.

The conference was held in Washington, D.C., on August 30, 1949. On the same day the President signed Proclamation 2855, "National Employ the Physically Handicapped Week, 1949" (3 CFR 1949–1953 Comp., p. 30).

In a letter to the President dated August 22, Ross T. McIntire, chairman of the President's Committee on National Employ the Physically Handicapped Week, stated that representatives from more than 20 States would attend the conference in addition to the committee members.

198 Telegram to the Governors Concerning the Midcentury White House Conference on Children and Youth. *August* 31, 1949

I HAVE called a Midcentury White House Conference on Children and Youth and have appointed a committee of distinguished citizens to give general direction to the undertaking, under the Chairmanship of Honorable Oscar R. Ewing, Federal Security Administrator.

The value of this conference will depend upon full participation of each state. Mr. Ewing will communicate to you a suggestion that either you designate an existing body broadly representative in your state, or appoint a state committee to serve for this conference. I shall personally appreciate your cooperation in making the conference an outstanding contribution to child life in America.

HARRY S. TRUMAN

NOTE: This is the text of identical telegrams addressed to the Governors of the States and Territories and to the Commissioners of the District of Columbia. The conference was held in Washington, D.C., December 3–7, 1950.

For the President's remarks to the members of the National Committee on September 8, 1949, see Item 204.

199 Statement by the President: Labor Day. *September* 1, 1949

THIS IS the fifth year in which it has been my privilege to call upon the American people to observe Labor Day—a day dedicated to the workers who have helped so much in the advance of our country to the position of responsibility and opportunity it occupies in the world today.

The American worker enjoys an economic, political, and social status solidly established on democratic principles and unequaled elsewhere in the world. From time to time labor has suffered setbacks, but on each such occasion its essential strength has asserted itself and progress has been resumed. And as labor has progressed, so has the Nation.

Labor Day, however, is more than a holiday for celebrating the achievements of the worker and extolling his contribution to the forward march of our economy. This year, more than ever, it is a time for a sober evaluation of the problems that labor, together with all other groups in our country, faces in our complex world, and of our mutual responsibility in meeting them.

Labor has become a full partner in our economy. The machinery for weighing labor's needs and for adjusting the problems of labor-management relations is being developed and improved through the cooperation of employers and employees. But today labor must also be a full partner in all our undertakings, not only within our borders but beyond the seas; for in the long run our actions in the field of foreign policy will affect the welfare of every man, woman, and child. It is a source of pride that statesmen in the ranks of labor are alert to their responsibility in this field and are making a vital contribution to our international programs.

I am confident that labor will give the same devotion to the attainment of our common objectives at home and abroad that it has long demonstrated in seeking better working conditions, adequate wages, and a higher standard of security for workers and their families.

200 The President's News Conference of *September* 1, 1949

THE PRESIDENT. [1.] I want to open the proceedings by making an announcement in anticipation of any questions—that negotiations in the Mexican oil loan will continue. I have been interested in that ever since it came up, and I have had conversations on the subject with the President of Mexico, and eventually I am sure we will arrive at a conclusion that will be satisfactory both to us and to the Mexican Government.

Q. When you say you have had conversations with the President of Mexico, do you mean right recently, or on his——

THE PRESIDENT. On my visit there, and on his visit here we had the conversations.

Q. Mr. President, I heard when I was west this summer that Ed Pauley had a part of this——

THE PRESIDENT. Ed Pauley has no connection with it whatever. Ed Pauley made an agreement on his own with the Government

of Mexico, long before these talks were thought of.

Q. But he is not—he is not promoting this one?

THE PRESIDENT. No interest in this at all. Neither is any other company that I know of, except some that are working to keep it from being negotiated.

Q. Mr. President, did Senator Chavez discuss it with you yesterday?

THE PRESIDENT. Yes.

Q. He didn't plan it on the basis of the good neighbor, but——

THE PRESIDENT. Yes, that's the way it has always been. It has been on that basis all the time.

[2.] Q. Mr. President, is there any implication in the proposed visit on the part of the Sixth Task Fleet to a Spanish port for the first time in 10 years?

THE PRESIDENT. None that I know of.

[3.] Q. Could you elaborate on that point about possibly some companies trying to stop the loan?

THE PRESIDENT. It will be elaborated on at a later date, not now.

[4.] Q. Mr. President, were you pleased with Governor Lehman's decision to accept the senatorial nomination in New York?

THE PRESIDENT. I certainly was. I wrote him a letter and told him I hoped he would run, so of course I am pleased he decided to do it.

Q. When did you write the letter, Mr. President?

THE PRESIDENT. Oh, about a week ago.

Q. Is the decision that old, Mr. President?

THE PRESIDENT. I don't know anything about it. You will have to ask Governor Lehman. He made the decision, not I. He wrote me and recommended a judge to me, and I answered his letter and told him that I had heard he was going to run for the Senate and I would be pleased if he did. It was personal correspondence—very satisfactory to him and to me both.

Q. Do you think he will win, Mr. President?

THE PRESIDENT. Yes he will. Of course he will. [*Laughter*]

Q. Do you think you will be making any speeches in New York?

THE PRESIDENT. I can't answer that question until after the primary, if they have a primary. I don't know whether they have a primary there or not.

Q. Yes.

[5.] Q. Mr. President, what is your opinion of the present state of affairs of your program?

THE PRESIDENT. My opinion is just what it was last January. We are going to put over the fair deal program before we get through, in toto. You know, there are two sessions of the 81st Congress and this, the first one, is not over yet, so you can't draw any conclusions. It will be some time before it is over, I hear.

[6.] Q. Mr. President, do you feel that General Vaughan got a fair deal before the Senate subcommittee? [1]

THE PRESIDENT. I have no comment to make on that.

Q. Do you have any comment on the reports that the suspended Quartermaster General is to be reinstated momentarily?

THE PRESIDENT. I know nothing about it.

[7.] Q. Mr. President, do you believe that the NSRB or the Air Force should have the authority to determine where bomber construction should be done by private airplane industry?

THE PRESIDENT. Ask me that question again?

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[1] See note in Item 161 [5].

Q. Do you believe that the Air Force or the NSRB has the final authority in determining where bomber construction should be done by private airplane industry?

THE PRESIDENT. I think that the Secretary of Defense, in the long run, probably will have the final say on that.

[8.] Q. Mr. President, this is the 10th anniversary of the outbreak of the Second World War. Do you have any reflections on the state of world peace on this anniversary?

THE PRESIDENT. Of course I am exceedingly happy that the shooting war did not continue. I have been rather disappointed that the war of nerves has been carried on for the last 3 or 4 years, and I am sincerely hoping that eventually that war of nerves will end up in surrender, as the shooting war did, and that we will have peace in the world. That's all I have been working for since I have been President of the United States.

Q. Mr. President, what do you mean by "end up in surrender"?

THE PRESIDENT. Just what I said. I can't make it any plainer.

Q. Mr. President, I am interested——

Q. Mr. President, can you give us any idea——

THE PRESIDENT. Wait a minute here!

Q. I want to ask you about that war of nerves, and what you thought about the present intensity, is it slacking off——

THE PRESIDENT. It is slacking off.

Q. ——so far as you know?

THE PRESIDENT. It is slacking off. I think it is slacking off very much. Very decidedly slacking off.

[9.] Q. Mr. President, can you give us any idea how soon you may nominate these new judgeships?

THE PRESIDENT. Just as soon as I am ready to make the nominations, I will announce them in plenty of time so that you will know it.

[10.] Q. Mr. President, can you make any comment on these reported Russian troop movements around the Balkans—apparently into Yugoslavia?

THE PRESIDENT. No, I can make no comment on it.

[11.] Q. Mr. President, Congressman Wolverton said yesterday that when the House reconvenes he is going to make an investigation of what he calls inept handling by the State Department of the Mexican oil loan?

THE PRESIDENT. I am sorry to say that I don't think the Congressman knows exactly what he is talking about.

[12.] Q. Mr. President, do you plan to reappoint Mr. Clark to the Fine Arts Commission?

THE PRESIDENT. I have no comment on that.[2]

[13.] Q. Mr. President, you called the last Congress a "do-nothing" Congress. Would you care to evaluate this one up to date?

THE PRESIDENT. I told you that this Congress could not be evaluated until it is finished. It has not finished the first session yet, and it still has the other session to go. I think its record will be all right when they are finished.

[14.] Q. Mr. President, General Vaughan said yesterday that John Maragon will probably be barred from the White House. Have you issued any such order?

THE PRESIDENT. The committee hearing

[2] Gilmore D. Clark was originally appointed a member of the Fine Arts Commission on April 15, 1932. His term of office had expired on March 10, 1949, and was not renewed. He served as Chairman of the Commission during the final 8 years of his tenure.

was held up at the Capitol. We will not continue it up here.[3]

[15.] Q. Mr. President, do you contemplate asking for any extension of the steel truce, in view of the prolonged hearings?

THE PRESIDENT. The matter has not come up to me yet.[4]

[16.] Q. Mr. President, when you referred to the war of nerves, were you referring to the war of nerves between Communist governments and democratic governments?

THE PRESIDENT. Yes, that is just as plain as it can possibly be. I am hoping that the war of nerves will cease, that everybody will get in the mood for general world peace, and when they do that it will just take a very short time to get everything worked out the way it ought to be. The United Nations then will function as it should, and I am hoping that we will have generations of world peace.

[17.] Q. Mr. President, do you plan to reappoint Garland Ferguson to the Federal Trade Commission?

THE PRESIDENT. I have no comment to make.[5]

[18.] Q. Mr. President, is there anything you could tell us about the new chairman on the Fine Arts Commission?

THE PRESIDENT. No, I have no announcements to make on that.

[19.] Q. Mr. President, just to clear up one of the questions in the hearings, do you contemplate any change in your Army Aide?

THE PRESIDENT. I do not.

[20.] Q. Mr. President, were you pleased with the Senate's action defeating the McClellan economic amendment the other day? [6]

THE PRESIDENT. Certainly — certainly. That was absolutely the wrong way to go about it. The Senate did the right thing on that. It is the business of the Congress, after I send the budget to the Congress, to analyze that budget and appropriate or not. That is their function, and they can't transfer that function to me. What would be the use of having a Congress, if I have a budget without having appropriations properly analyzed by the legislative branch of the Government, which is what the Constitution calls for?

Q. Mr. President, do you have any plans of your own, sir, to restore the balance

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[3] John Maragon, former Government employee and holder of a White House pass, was a central figure in the "five percenter" inquiry.

According to the testimony of General Vaughan before the subcommittee investigating influence in Government procurement, Mr. Maragon had access to the White House and had been observed using the general's telephone to make personal calls. When asked if he thought it was now possible to keep Maragon out of the White House, General Vaughan replied, "I think it is not only possible, but probable."

[4] See Item 209.

[5] On October 18, 1949, the White House released the text of the President's letter accepting the resignation of Garland S. Ferguson as a member of the Federal Trade Commission, to be effective as of November 15, 1949. Mr. Ferguson's letter of resignation was released with the President's reply. Mr. Ferguson served on the Commission for 22 years, the longest term of service since the Commission was created, and served as Chairman five times.

[6] S.J. Res. 108, "To reduce expenditures in Government for the fiscal year 1950 consistent with the public interest," introduced by Senator John McClellan of Arkansas and 29 other Senators on June 13, 1949.

The resolution directed the President to reduce expenditures to be made during the 1950 fiscal year by no less than 5 percent. No single agency was to be cut by more than 20 percent. An attempt by Senator McClellan to include this legislation as a provision of H.R. 4146, the military appropriations legislation, failed on August 29. Although 63 Senators had signed a petition to bring this legislation to the Senate floor for a vote, it failed to carry because of a parliamentary ruling requiring approval by two-thirds of the Senate. The measure remained on the calendar, but as separate legislation.

of the defense establishment, that might affect——

THE PRESIDENT. The budget that I sent to the Congress was the budget that I thought was absolutely necessary. I stand behind that budget full tilt now. The reason for the abliity to make a cut in the defense department was the carrying out of what I had asked the Congress to carry out 3 years ago in the reorganization of the defense department.

[21.] Q. Mr. President, what did you say to the farm group yesterday that got such fast action that they reported the bill last night? [7]

[7] S. 2522, "To stabilize prices of agricultural commodities," introduced in the Senate on August 31, 1949, by Senator Clinton P. Anderson of New Mexico.

THE PRESIDENT. I didn't say very much of anything. They discussed the situation among themselves and found that they were not as far apart as they thought they were. That is usually the case when you can get people together and get them to sit down and talk. When you are reasonable you can always come to a conclusion that will work.

[22.] Q. Mr. President, there have been reports of a possible economic union with Great Britain. Have you any comment?

THE PRESIDENT. I hadn't heard anything about it, so I can't comment on it.

Reporter: Thank you, Mr. President.

NOTE: President Truman's one hundred and ninety-sixth news conference was held in his office at the White House at 10:30 a.m. on Thursday, September 1, 1949.

201 Statement by the President on Federal Employees Displaced by the Reduction-in-Force. *September* 3, 1949

SECRETARY JOHNSON is making all possible effort to place the employees who are being released from the Department of Defense. In addition, I request all Federal appointing officers to give first consideration to career employees who have lost their jobs through no fault of their own.

I have asked the Civil Service Commission particularly to continue its efforts to place such employees and give them proper priority consideration for Federal jobs. I am confident that every effort will be made by the Federal departments and agencies to cooperate fully with the Commission in hiring as many of these employees as can be effectively utilized.

It is unrealistic to expect, however, that all these employees can be placed in current vacancies in the Federal service, which very properly is contracting in size. Many of the released employees have skills that are not now required in other Federal positions. Therefore, I hope that they will receive full consideration from employers in private industry. This reduction has affected employees who have given years of excellent service to their country, and are highly skilled and efficient workers. The facilities of the U.S. Employment Service, cooperating with the State Employment Services, are at the disposal of these employees and hiring officials of business concerns.

Through such a cooperative program, I hope that this phase of our postwar readjustment can be made with the least possible hardship to these employees and their families.

202 Labor Day Address at the Allegheny County Free Fair in Pittsburgh. *September* 5, 1949

The Allegheny County Commissioners, Mr. Mayor, distinguished guests:

I am very happy to be here today at the Allegheny County Free Fair.

I am sincerely sorry that my good friend John Kane can't be here, on account of illness. I am happy that Mrs. Kane can represent him here with the Commissioners today. John Kane has never been in Washington in the last 3 years that he hasn't invited me to this fair, and now I am here and he is absent. I am very sorry.

I notice that this is called "the world's largest county fair." I have attended county fairs for 60 years, and I'm glad to be a guest at the biggest one of all today.

My first visit to a county fair was when I was about 5 years old. My old grandfather took me in a cart with a strawberry roan horse and drove me 6 miles to the Cass County Fair at Belton, Mo. And I went with him all 6 days, and sat with him in the judges' stand when the races were called. It was a great event in my young life, and I have been going to county fairs ever since. And here I am now at the biggest one.

I am particularly impressed by this fair, because it is both a farm show and an industrial exposition. Farmers and industrial workers together are showing their best products here today.

Farmers and industrial workers—agriculture and industry—ought to show their products together. For these two groups depend upon each other. Together, they are responsible for the tremendous production of this country's economic system. No program for prosperity in the country can ignore the interests of either group.

In recent years some people have been telling farmers, out of one corner of their mouths, that the labor unions are bad for farmers. Out of the other corner of their mouths, these same people have been telling industrial workers that programs to benefit farmers are bad for labor. If you ever meet anybody like that, you can be sure he is not interested in the welfare of either the farmer or the industrial worker. Those who are trying to set these two great groups against each other just have axes of their own to grind.

Now, about this time last year, if you remember, the country was engaged in a great political campaign. I covered a good deal of the United States in the course of that campaign, and I put the plain facts, as I saw them, before the people. I also offered a program to meet the needs of all groups in this country for growth and prosperity. The votes of the people showed that they wanted that kind of program. They were not misled by the newspapers and the magazines and the so-called experts who tried to convince them that they did not want that kind of program.

The people knew what they wanted.

Their votes showed that the farmers and the workers stand together in demanding a government that works for the benefit of all our citizens.

It is now almost a year since that campaign, and I think it is time to take stock of the situation and see what progress we have made in carrying out the program the people voted for.

I am happy to be able to report to you that we have made progress; and we are continuing to make progress.

As a result of last fall's election, we have a new Congress in Washington. And this new 81st Congress has an entirely different

approach to the needs and desires of the people from that of the 80th Congress.

The 80th Congress was a threat to almost every bit of forward-looking legislation passed during recent years. For example, it repealed the Wagner Labor Relations Act and replaced it with an unfair and restrictive Taft-Hartley Act. It took social security benefits from hundreds of thousands of people. It weakened our farm programs. It attacked our national policy for making the benefits of electric power available to the public—to all the people—instead of just the privileged few.

If the 80th Congress had not been repudiated, this tearing down process would have gone on and on. But now the new 81st Congress has reversed this backward trend.

The 81st Congress has put a stop to the piecemeal destruction of the hard-won protections and benefits that the people have built up for themselves. It has done more than that. The 81st Congress has moved forward.

Some people are trying to make you believe that the 81st Congress has been a "do-nothing" Congress. That simply is not true. The fact is the 81st Congress has already passed many important measures for the good of the people—and it will pass many more progressive laws.

The 81st Congress has taken wise and important steps in foreign policy by extending the European recovery program and ratifying the North Atlantic Treaty. It has enacted a far-reaching housing program that will benefit millions of our citizens. It has extended rent control. It has taken action to make low-cost electricity available to more of our people. It has strengthened the soil conservation and reclamation programs. This Congress has restored the Government's power to acquire grain storage facilities necessary to carry out the farm-price support program. This Congress has approved an International Wheat Agreement which will give our farmers a fair share of the world wheat markets at fair prices. This Congress has strengthened and improved our organization for national defense.

My friends, this is real progress. And this session is not over yet. Other important measures, such as those raising the minimum wage and extending the Reciprocal Trade Agreements Act, are well on their way to final passage.

The 81st Congress has taken these actions over the fierce opposition of the selfish interests. The organized conspiracy of the selfish interests has gone right on working against the common good, in spite of the election returns.

One of the things that the special interests have managed to do up until this time is to prevent the repeal of the Taft-Hartley law. But that issue is far from settled. We are going to continue to fight for the repeal of that repressive law until it is wiped off the statute books.

The selfish interests have always been working against the common good, since the beginning of our history. Our fathers and our grandfathers had to fight against them every step of the way to make progress. They had to fight for a free public school system. They had to fight for the right of homesteaders to settle on the public lands. They had to fight for laws to protect the health and safety of industrial workers. They had to fight for labor's right to organize.

We face the same situation today. We still have a fight on our hands.

The special interests always fail to see that the way of progress, the way of greater prosperity for themselves, as well as others, lies in the direction of a fuller and happier life for all.

Too many people who can afford big in-

surance policies for themselves are not concerned over the need of expanding social security. Too many who are making money out of the rents from slums are not in favor of expanding public housing to provide decent shelter for low-income families. Too many with big incomes are not interested in raising minimum wages. Too many who can freely organize themselves in business associations or employers' groups are not anxious to protect the same right to organize among industrial workers.

It is hard, perhaps, for the people in comfortable circumstances to see the need for improving the well-being of the less fortunate. Furthermore, they are always being stirred up and misled by the spokesmen and lobbyists for organized selfish interests. There are a lot of paid agitators, promoters, and so-called publicity experts who make a fat living by frightening the people in the higher income groups about forward-looking legislation, and by organizing campaigns against that forward-looking legislation.

Ever since the election those spokesmen have been very busy stirring up opposition to our legislative program.

The hue and cry that has resulted, in the press, and on the air, and through the mail, has been deafening.

These propagandists do not argue the merits of our program. They know that the American people will always decide against the selfish interests if all the facts are before them. So they have adopted the age-old device to hide the weakness of their case.

This is the device of the "scare-word" campaign.

It is a device that has been used in every country and every age by the propagandists for selfish interests. They invent slogans in an effort to scare the people. They apply frightening labels to anything they happen to oppose. These scare words are intended to confuse the people and turn them against their own best interests.

Scare words change with the times.

When Franklin D. Roosevelt and the New Deal saved our country from the great depression, the selfish interests raised the scare words of "socialism" and "regimentation."

But the American people didn't scare.

Year after year the selfish interests kept up their refrain. They tried new words—"bureaucracy" and "bankruptcy."

But the American people still didn't scare.

Last November the people gave the selfish interests the surprise of their lives. The people just didn't believe that programs designed to assure them decent housing, adequate wages, improved medical care, and better education were "socialism" or "regimentation."

So the selfish interests retired to a backroom with their high-priced advertising experts and thought things over. They decided that the old set of scare words had become a little mildewed. Maybe it was time for a change.

So they came up with a new set of scare words. Now they're talking about "collectivism," and "statism," and "the welfare state."

The selfish interests don't know—in fact, they don't care—what those words mean. They are using those words only because they want to turn the American people against the programs which the people want, and need, and for which the people voted last fall.

Let's see how the selfish interests are using these scare words.

The people want public housing for low-income families. The selfish interests are op-

posed to this because they think it will cut down their own incomes; so they call it "collectivism."

Well, we don't care what they call it.

We are for public housing. It is the democratic way to provide decent homes in place of slums.

The people want fair laws for labor. The selfish interests are against these laws because they mistakenly fear that their profits will be reduced; so they call that "statism."

Well, we don't care what they call it.

We believe that the workers in this country have a fundamental right to square treatment from employers.

The people want a fair program for the farmers, including an effective price support system. The selfish interests fight against this because it keeps them from profiteering at the farmers' expense; so they call this "socialism."

Well, we don't care what they call it.

We know that the well-being of the country depends upon the well-being of the farmers, and that farm prosperity must be protected in the interest of all of us.

The people want a better social security system, improved education, and a national health program. The selfish interests are trying to sabotage these programs because they have no concern about helping the little fellow; and so they call this the "welfare state."

Well, we don't care what they call it.

We know that the little fellow is the backbone of this country, and we are dedicated to the principle that the Government should promote the welfare of all the people.

The spokesmen for these special interests say that these programs make the Government too powerful and cause the people to lose their freedom. Well now, that just is not so. Programs like these make the people more independent—independent of the Government, independent of big business and corporate power.

People who have opportunity to work and earn, and who have an assured income in their old age, are free. They are free of the fear of poverty. They are free of public or private charity. They can live happier, more useful lives. That's real freedom. And that is something we should be proud of—that's not something to be slandered by trumped-up slogans.

Along with this campaign of scare words, we hear another argument against adopting any forward-looking legislation. It is to the effect that even if these programs are good things, we can't adopt them now, because they cost too much and we can't afford them.

The selfish interests say we can't afford these programs during a boom because that would be inflationary. They say we can't afford them during a recession because that would be deflationary. They say we can't afford them during a war because we are too busy with defense, we can't afford them in time of peace because that would discourage business. So, according to the selfish interests, we never can afford them.

But the truth is—we can't afford not to put these programs into effect. We can afford them, we ought to have them, and we will have them.

The sooner we have them the better it will be for the country, and the more we will save.

Take our programs for resource development, for example. If we fail to conserve our soil, we lose our most valuable resource. If we fail to build electric power facilities, we hamper the development of industry.

Take our social security system. Shall we force our old people to turn to charity? Or shall we let them have an independent and self-respecting existence through an up-to-

date old-age insurance system, paid for during their working years?

Take housing. If we don't go forward with our housing and slum-clearance programs, we shall have to pay the rising costs of disease, immorality, and crime bred in slums.

Consider our schools. The hidden costs of poor education, lost opportunity, and poverty resulting from inadequate schools are costs the Nation can no longer afford. Federal aid to education will be a lot less expensive than ignorance and illiteracy.

If we are to have a healthy and prosperous United States, we must have better schools, better housing, better medical care, better use of our resources, stronger social security, and the other improvements in our democracy that the people need.

Those who oppose these improvements refuse to face the facts of today's world. They don't understand the overriding urgency of proving the value of the democratic way of life, not just with words, but with deeds. They don't see that the very survival of free enterprise depends upon a rising standard of living and an expanding economy. They don't recognize that to work for the increasing security and liberty of the people of the United States is the key not only to our own prosperity, but to the prosperity and peace of the whole world.

But the people of the United States do understand these things. When they have the facts before them, they always choose progress—not reaction.

They made this clear again last fall. They chose the very same programs that are now being attacked by the selfish interests with their campaign scare words. The people were not misled about those programs then. They will not be misled about them now.

The people know that the second half of the 20th century is going to be a time of challenge to the way of freedom and progress that our democracy represents. As we meet that challenge, we shall have to fight, as we have always fought, the selfish forces of reaction and special privilege.

The people of the United States have been winning that fight for 160 years. I am convinced that we will continue to win that fight through the years to come.

NOTE: The President spoke at 12 noon at the Allegheny County Fairgrounds in Pittsburgh. His opening words referred to County Commissioners Harry W. Fowler and Ernest Hillman and to Mayor David L. Lawrence of Pittsburgh. Later he referred to Mrs. John J. Kane, representing her husband, the chairman of the Board of Allegheny County Commissioners, who was ill.

The address was broadcast over all major radio networks.

203 Labor Day Address in Des Moines at the Convention of the American Veterans of World War II. *September* 5, 1949

Mr. Commander, distinguished guests:

I am happy to be here today with the American Veterans of World War II.

This is the third time I have met with veterans in the last 3 weeks. In Miami and in Philadelphia I had the pleasure of addressing two of the other veterans organizations.

Today in Des Moines you have given me the welcome opportunity to speak to this association which has grown up since the last war. Judging by this meeting, your group has a long, vigorous, and useful life ahead of it.

I have found that veterans generally carry

over into civilian life their strong interest in national and international affairs. They are determned to do everything they can to see that the United States grows in strength and prosperity and exerts its full influence for peace in the world. A veterans organization like yours can do much to aid our progress toward peace and prosperity. I am sure all of you will do your part.

Earlier today, in Pittsburgh, I discussed the effort we are making to achieve a better future for our country. One of the most important elements in our country's future is agricultural prosperity. And there is no better place to talk about that than right here, in the heart of the Nation's farm belt.

Some people seem to think that nobody but the farmers ought to be concerned with farm prosperity. Some people claim that programs to improve the welfare of farmers are just "pressure-group" politics. Selfish interests would like to have us believe this because they want to divide the people and set one group against another.

The plain fact is that everyone should be interested in the welfare of the farmers. The prosperity of this Nation is indivisible. We cannot get prosperity to just a few. The economic future of the whole country depends upon the growing welfare of every group in the country. If we want a healthy and prosperous economy, there must be economic opportunity, not just for the fortunate few, but for all of us—workers, businessmen, and farmers without regard to race, creed, or color.

It's just plain commonsense that good incomes for farmers are good for the workers who make the things the farmers buy. Farmers this year will have more than $27 billion to spend. That means employment for more than 9 million workers in factories, and stores, and other business enterprises.

All of us need the things farmers produce. When farmers adopt new and more effective methods, and produce more at lower cost, that raises the standard of living of everybody in the country.

That's why it is just as important to the future of our country for farmers to be well off as it is for workers or for businessmen. I want them all to be prosperous.

That's why I believe the Government of this country must work for the welfare of the farm people.

Let's look at some of the things the Government should do to help achieve continued and growing farm prosperity.

It is not always easy for city folks to understand the conditions the farmer faces, and the need for the particular programs the Government has developed.

First of all, the farmer faces the uncertainties of nature. He is in a constant battle with insects, and weeds, and weather, and erosion. He needs to learn and apply the best methods of soil conservation, weed killing, crop rotation, and all the other scientific advances of agriculture. One of the outstanding accomplishments of our Government has been its research and education programs to help farmers do these things.

Furthermore, the farmer is confronted with special problems because he lives in the country. Too often in the past, good schools and modern health facilities, electricity and the other advantages of modern living were not available to our farm population. In recent years, however, our Government has helped to make it possible for many of our farmers to obtain these things.

In addition, the farmer faces a market which he can't control. Years ago it often happened that a whole year's hard work went for nothing, because there were unexpected crop surpluses or sudden drops in demand. In the past 16 years, however, with the help of the Government, farmers

have been making much headway in achieving economic stability. Farm cooperatives have been greatly strengthened. Cheaper, more abundant farm credit has been made available. Price supports, marketing agreements, and other special programs have been developed and steadily improved.

In all these ways, farmers with the help of the Government have been meeting and overcoming the special difficulties they face. They have been making great progress toward the steadily growing farm prosperity they need and the prosperity that the whole Nation needs.

None of these advances came easily. They were all opposed by selfish and narrow-minded men who didn't understand what the farmer was up against—and who didn't care whether or not he was well off. Sometimes these interests have managed to reverse the course of progress, though fortunately not for long.

It was just about a year ago, a few miles from here at Dexter, Iowa, that I talked to another audience about farm prosperity and the opportunity for the farmer.

At that time, the outlook for the farmer was pretty black.

The 80th Congress had been hitting sledge-hammer blows at the very foundations of farm opportunity.

The 80th Congress had cut the soil conservation program. In doing this, it had threatened the existence of the farmer-committee system, through which conservation, price support and other programs are administered.

The 80th Congress had killed the International Wheat Agreement, which was negotiated to assure farmers a reasonable share of the world wheat market and help maintain stability of grain prices.

It had caused farmer cooperatives to fear for their lives.

The 80th Congress had restricted the reclamation program and cut down our efforts to bring low-cost electricity to farmers and other people.

And on top of all this, the 80th Congress had started to tear down one of our strongest bulwarks against depression, the farm-price support program. It had done this in a sly and underhanded way—by eliminating the Government's power to provide grain storage facilities. As you know, we can't support grain prices without adequate storage.

I reminded the people at Dexter a year ago, just as I am reminding you today, that the welfare of the entire Nation depends upon the welfare of the farmer. I reminded them that they could express their opinion of the 80th Congress at the polls in November. And that's just what they did!

As a result, there are a lot of new members in the 81st Congress. With these new members, there has been a big improvement. Of course, there are still many reactionary Senators and Representatives in Congress, but they are no longer in control as they were last year and the year before. They are still doing all they can to slow up our program, but they are not able to stop it. The majority of the 81st Congress are going ahead building for the future.

The new Congress has already repaired most of the damage done to the farmers by the 80th Congress, and it is going forward with new measures for a growing and prosperous agriculture.

The 81st Congress understands the fundamental importance of soil conservation. It has restored and expanded this program and given a new lease on life to the farmer-committee system.

The 81st Congress understands the importance to American farmers of a balanced and expanding world trade. A new Inter-

national Wheat Agreement has been negotiated and is now in effect. By this agreement, American farmers are assured a fair share of the world wheat market at fair prices for the next 4 years. Furthermore, this Congress is going to extend and improve the Reciprocal Trade Agreements Act. This will mean more world trade.

The 81st Congress is interested in building up farm cooperatives, not tearing them down. It understands that cooperatives are as necessary for the welfare of farmers as unions are for the welfare of the workers. Both cooperatives and unions are means whereby men who are weak economically can become strong enough, by uniting, to bargain on a basis of equality. This Congress will not listen to those who want to tax cooperatives out of existence. Furthermore, before this Congress adjourns, I think we shall have a cooperative telephone program similar to the highly successful rural electrification program.

This Congress has already taken important steps to meet the serious need for more low-cost electricity and to revitalize the reclamation program in our Western States.

The 81st Congress has restored the Government's authority to provide storage for grain under the price support program, and the difficult storage problem is being met. Farmers are building new bins, and the Government is preparing to take care of the overflow that cannot be handled by farmers and grain elevators. With the biggest supply of corn in history now in sight, the corn loan program is especially important, and the Government is helping farmers get every bushel in storage. As you farmers well know, if it were not for the administration's program, you would probably be getting 50 cents a bushel for your corn right now.

In all these ways, the 81st Congress has repaired past damage and is making new gains.

However, there is one important part of our farm program on which the 81st Congress has not yet completed its work. That is the farm-price support system.

Congress needs to modernize our farm-price support system, and the Secretary of Agriculture, on behalf of the administration, has made recommendations to the Congress for this purpose.

An immense amount of confusion has been stirred up about these proposals in recent months. Some people are going around telling industrial workers that our attempt to improve the price support system will mean higher food prices and heavier taxes. Some people are telling farmers that an improved price support system will take away the protection they now have and regiment the farmer. I would like to see you regiment the farmers. It has been tried by experts. Much of this talk is deliberately intended to mislead and divide farmers and workers.

But it will not succeed. Farmers and workers have learned to cut through the fog of misrepresentation and propaganda and look at the facts. And when that is done, there is no reason for confusion about the kind of farm-price support program we ought to have.

First, we need a farm-price support system that will afford farmers an opportunity to secure a fair return for their production. Too often in the past, we have seen farm prices at give-away levels because temporary surpluses resulted in distress selling. This was bad for farmers and bad for the Nation. Our system of price supports, therefore, must protect farm income from collapsing and injuring the whole economy.

Second, price supports must be so organized and administered that they will give

consumers the benefit of our abundant farm production. Our people want to buy more milk and meat, more fruit and vegetables, and all the things that go into a better diet. They must have a price support system that will encourage farmers to shift their production to meet the demand for more and better foods at reasonable prices.

Present price support legislation is not adequate to accomplish these objectives. It encourages surplus production of some commodities, such as potatoes, and not enough of other products, such as meat. The worst thing about the present program is that it takes food away from the consumers instead of enabling them to eat better. The Government has had to buy tremendous quantities of potatoes and take them off the market at very great expense. The Government has had to build up big stocks of dried eggs and is wondering how to get rid of them.

Some people say that we ought to cut down support prices, but that would not meet the problem. The record shows that, in the past, when prices dropped, farmers produced bigger and bigger surpluses in a hopeless effort to make up for low prices.

Instead of cutting down support prices, we need to adjust our price support system so that it will encourage farmers to grow what is needed and encourage consumers to use what is produced.

Our farm-price support system, therefore, first of all should aid farmers to adjust production to demand. Farmers are under the same economic necessity to adjust supply to demand as are the producers of automobiles or washing machines or any other product. By and large they are willing to do it, if they have assurance that they can shift their land to other uses without economic disaster.

But no matter how willing the farmers may be to adjust their production, and to change from one crop to another, they cannot eliminate the possibility of a surplus. Weather, world conditions, market fluctuations are all things beyond their control. So even under the best circumstances, we will have some surpluses.

In the case of storable crops, like corn, tobacco, or cotton, we can and should store up a good part of the surpluses as reserves against emergency. In the case of perishable products, such as meat and milk, we cannot store them very long. These perishable products must be used to avoid waste.

This presents a problem that is not easy to solve. We know that we shall have to adopt a new method of price support. The most promising method yet suggested is the production payment plan. Under this method, the prices of certain farm commodities would be allowed to seek their own level in the market, and the farmer would be paid the difference between the support price and the average market price. Production payments thus would safeguard farm returns, and at the same time our entire production of perishable foods would be available to consumers on regular markets.

This method, or any other means of accomplishing the same purpose, would go a long way toward overcoming the defects of present legislation and giving us a modern price support system.

It is urgent that we modernize our price support laws or we shall face unmanageable surpluses. Startling progress has been made in increasing agricultural production in this country in recent years. This has enabled farmers to double and triple their production of many crops at lower costs.

This new productive ability must be used for the good of all our people; it must not be allowed to destroy the prosperity of our farmers and the stability of our economy.

This is the essential purpose that we should seek to achieve by our new farm-price support legislation. A price support system that fulfills this purpose will be good for the farmer, good for the worker—and good for the whole Nation.

I am convinced that the 81st Congress will enact this kind of farm-price support legislation. I am convinced that it will not be led astray by the loud opposition of those who oppose any change in our price support system.

The stability and progress of our agriculture is important not only to ourselves, but to the whole world. Over the last few years, our farmers have taken a leading part in the struggle to feed a hungry world. In the future, foreign markets will be essential for many of our farm products.

But we must remember that we cannot maintain foreign markets for our agriculture, over the long run, unless we buy in return the products of foreign countries. Foreign trade is not a one-way street. There will be tremendous benefits to this country, in rising living standards, in reduced appropriations for foreign aid, in a more prosperous world economy, and in closer ties between the free nations, if we buy more from other nations.

Our country has been endowed with the ability to produce the good things of the earth in abundance. I am sure we have the wisdom to use this gift as a blessing for all our people. We know much more about our economy and how it works than we used to. We have profited by experience.

We must keep our eyes on the main objectives. We must not be led astray by the false arguments and the loud clamor of the special interests. They are only trying to set us against one another. They are using slogans and scare words to frighten us away from the programs and policies that are good for us all.

But we will not be frightened. Too much depends on our ability to handle our common problems in a spirit of cooperation. It is not only our own future progress that is at stake. It is the future peace and prosperity of the whole world. That is our goal, and we shall continue to work toward it with all our strength and all our faith.

NOTE: The President spoke at 4:15 p.m. at the State Fairgrounds in Des Moines, Iowa. His opening words "Mr. Commander" referred to Harold A. Keats of Fort Lauderdale, Fla., retiring National Commander of the American Veterans of World War II.

The address was broadcast over all major radio networks.

204 Remarks to Members of the National Committee for the Midcentury White House Conference on Children and Youth. *September* 8, 1949

I AM highly appreciative of the interest you have shown by your presence here. It has been customary, I think, since 1909, to hold these conferences every 10 years on what we can do to improve the welfare of the youth of the Nation.

It is customary, as you know, when a person becomes 50 or over, to decide that the younger generation is on its way to the lower regions. I was reading one of Plutarch's Lives not long ago, and he made the statement, in Pericles's time, that that was

happening then. It is not true. And you are familiar with the fact that it is not true.

I think this rising generation has prospects before it that are really unequaled in the history of the world. And what we want to do is to impress upon them their responsibilities. I think that is the principal reason for this meeting, outlining a program for this future generation that is coming into control of this country and the whole world.

We have been working strenuously since September 2, 1945, for world peace, and that is still our main objective. We are going to get that world peace eventually, and it is going to be a peace we will all be proud of, and under which we can all live and progress.

I am hopeful that some of the things with which we are confronted can be remedied by this conference next year. One of the things that I am vitally interested in is the health of the people of the United States. We discovered in the draft program that 34 percent of the young people who came up for examination for draft purposes were physically or mentally unfit for service.

I think that is rather disgraceful in the richest nation in the world, with all the resources that we have, to neglect the health of the young people. I think that is one of the principal things we want to look after.

Then the other and the most important thing is the mental attitude of these young people. We want them to have the right outlook on life, as we believe the outlook on life is right. And in order to do that, they must have proper instruction both at home and in the schools. It is necessary that we improve our educational system continually.

Now we are short of teachers. We are short of places for children to go to school. Here in the District, just today, they had to issue an order on part-time schools, because there isn't room in the present school buildings to take care of all the children that want to go there. That is true in every city in the Nation.

We have been endeavoring to get an educational program that will help to remedy that situation and in no way affect the local control of the school system. That is one of the things that we are vitally interested in, of course, local control of the school system.

You know, if a child has a good mother, and most of them do have, and the first three grade teachers are good teachers, who understand the moral outlook as we see it, there is no danger of that child being anything but a good citizen, no matter what happens after the first 8 or 10 years. That is the thing in which I am sure you are all vitally and principally interested.

I can't tell you how much I appreciate your interest in this, by your presence here, and I hope that the next conference in 1950 will be the most important and most forward-looking and successful one that we have ever had. And I am sure it will.

When I look over the people who are here, I am sure it will.

And I want to say to you here that you have all the cooperation that goes with the Office of the President of the United States. I won't be running for office next year, and I can do a lot of things that I couldn't ordinarily do.

Thank you very much.

NOTE: The President spoke at 10:15 a.m. in the Projection Room of the White House.

The meeting of the National Committee for the Midcentury Conference was held on September 8-9, in the East Wing of the White House.

For the President's telegram of August 31, 1949, to the Governors of the States and Territories and to the Commissioners of the District of Columbia announcing the calling of the Midcentury White House Conference on Children and Youth, see Item 198.

205 The President's News Conference of *September* 8, 1949

THE PRESIDENT. I have no announcements to make. I will try to answer questions so far as I can.

[1.] Q. Mr. President, can you give us any new slant on the economic picture, on the basis of the employment figures today? I suppose you have heard about them? [1]

THE PRESIDENT. No, I can't give you any new slant on them. I think the figures speak for themselves. I had a conference with Mr. Nourse this morning who made the report to me on those figures, and on the increased activity among the manufacturing plants, but I have no comment to make on what they indicate. I will tell you more about it if the—when the quarterly report comes out the end of September.

Q. Did he give you any figures on unemployment?

THE PRESIDENT. Yes, he gave me all the figures. They are released. They are public property.

Q. Today?

THE PRESIDENT. Yes——

Q. Do you find them encouraging——

THE PRESIDENT. ——do you want me to read them to you? [*Laughter*]

Q. No, no.

Q. I believe the report mentions an upturn in production, too?

THE PRESIDENT. Yes. Six percent. Six *point*——six point, not percent.

[2.] Q. Mr. President, a great many people are interested in the rather sad fact that Dr. Basil O'Connor's speech last night—possibly you heard it?——

THE PRESIDENT. Yes.

Q. ——40,000 new cases of polio in this country this year, a record number, and he has opened an emergency drive for a certain amount of money.

THE PRESIDENT. I am wholeheartedly in sympathy with that drive. I am hoping it will be successful, because we are faced with an emergency in that polio epidemic that is now going on.

He is going to try to raise, I think, 14 million——

Q. $14,500,000.

THE PRESIDENT. ——to meet that situation. I hope it is successful.

[3.] Q. Mr. President, would you care to identify the special interests who have been using scare words?

Joseph H. Short (Baltimore Sun): That was not the Sun, Mr. President. [*Laughter*]

THE PRESIDENT. I know.

I can't identify them at present. A little further along in the campaign I may identify them—some individuals—some special interests—in the next year's campaign.

Q. Which campaign is that?

THE PRESIDENT. The 1950 campaign. [*Laughter*]

Q. The campaign has already begun then, Mr. President?

THE PRESIDENT. The campaign always begins on the Labor Day of the year before the election takes place.

[4.] Q. What do you think of Mr. Dulles getting bitten by the political bug?

THE PRESIDENT. I have no comment to

[1] In a conference held at 11:30 a.m. in the President's office at the White House, Dr. Edwin G. Nourse, Chairman of the Council of Economic Advisers, gave the President the monthly report of the Council. The report indicated that the unemployment figure had dropped from 4,095,000 for July to 3,689,000 for August.

make. Any man has a right to run for office if he wants to.[2]

[5.] Q. Mr. President, along that same line, would you give us your definition of "statism"?

THE PRESIDENT. I don't think I can, because the dictionaries are in disagreement as to what it means. I don't think anybody knows what it means. It simply is a scare word.

Q. Did you look it up?

THE PRESIDENT. Yes. There are two or three definitions for it, none of them in agreement.

[6.] Q. Mr. President, I have a question which is obviously planted, but—[*laughter*]——

THE PRESIDENT. I like frankness. Go right ahead.

Q. I think I am the only person who ever admitted it! I have two friends in the theatrical business, one is manager of a theater and the other is an actor—a hoofer.

THE PRESIDENT. I see.

Q. They have asked me to tell you that there is a great resurgence of vaudeville, and their attitude toward it is that it is not only coming back—it's an old-time thing—but a lot of people are getting reemployment. Now, that planted question: to say something nice about them? [*Laughter*]

THE PRESIDENT. That is not hard to do, because when I was much younger, between the time I was about 16 to 20, I used to go to every vaudeville show that came to Kansas City at the old Orpheum, and at the Grand theater where the four Cohans, and Eva Tanguay, and all those people used to go. I used to have a job as an usher on Saturday afternoons. All I got out of it was to see a show, which was for nothing. I am glad that vaudeville is coming back.

Q. What did you do on Saturday afternoons?

Q. Were—you were a baby-sitter?

Q. I didn't get that? [*Laughter*]

THE PRESIDENT. Usher. Usher on Saturday afternoons at the Orpheum, not at the Grand.

Q. Where was the Grand?

THE PRESIDENT. Long before you were born.

Q. Where was the Grand?

THE PRESIDENT. Down at Seventh and Walnut Streets. Garage there now.

Q. That was in Kansas City, Mr. President?

THE PRESIDENT. Kansas City.

Q. We will put a plaque up there tomorrow!

THE PRESIDENT. That's where all the good shows came to—Kansas City.

Q. Were you around when William Woods——

THE PRESIDENT. Willis Woods. Oh yes, Willis Woods was around a long time after the Grand.

Q. Mr. President, how did the Orpheum figure in it?

THE PRESIDENT. At the Orpheum I had to pay my way into that. That was the vaudeville show. Once the Orpheum Circuit. There used to be one here, Keith-Orpheum it turned out to be afterwards. It was the Orpheum here before Keith took them over.

[7.] Q. Mr. President, Mrs. Roosevelt in her column yesterday referred to the riot at Peekskill as disgraceful. Do you have any

[2] John Foster Dulles, who had announced his candidacy for the post of United States Senator from the State of New York, in a special election to be held on November 8.

In the election Mr. Dulles was defeated by former Governor Herbert H. Lehman.

comment?

THE PRESIDENT. I think Mrs. Roosevelt covered the situation perfectly and thoroughly.[3]

[8.] Q. Mr. President, do you wish to make any observations on the progress thus far of the British-Canadian economic conversations?

THE PRESIDENT. Of course I can't make any comment on them, because it's barely started. No comment to make.

[9.] Q. Mr. President, several days ago, a witness in the Navy B–36 inquiry quoted the late Secretary Forrestal as having said that you had planned to fire Secretary Symington, but he talked you out of it?

THE PRESIDENT. That is just one out of the whole cloth. I never heard of it before.

[10.] Q. Mr. President, will you ask for an extension of the steel strike truce?

THE PRESIDENT. It is under consideration. I can't do anything about it until I see the report of the factfinding board, and I won't receive that report until tomorrow——

Q. What was the question?

THE PRESIDENT. ——I mean Saturday.

Q. What was the question, please?

THE PRESIDENT. Whether I was going to ask for an extension of time on the steel strike.

Q. Truce.

THE PRESIDENT. Truce, yes. Extension of the truce, that is.[4]

[11.] Q. Mr. President, the St. Louis Chamber of Commerce said that it had asked you today, I believe, to intervene in the Missouri Pacific strike set for tomorrow?

THE PRESIDENT. I haven't seen the telegram. I guess they gave it out before it got to here. They do that—they have a habit of doing that. We are doing everything we possibly can, of course, to survey that strike, following every phase of the Railroad Labor Act to try to prevent the strike. I don't know whether it can be prevented or not.

Q. What can you do in that case, Mr. President?

THE PRESIDENT. Well, I am trying to find——

Q. Have you exhausted all your——

THE PRESIDENT. ——we have exhausted nearly everything, but we are still trying to prevent a strike by every means possible—reason, principally.

[12.] Q. Mr. President, there are reports that Stanton Griffis will be appointed Ambassador to Argentina?

THE PRESIDENT. He will be. When I get around to it. Whenever Mr. Bruce wants to quit. I don't think he is ready to quit yet.

Q. Have you got his successor picked out already, though?

THE PRESIDENT. Bruce? Yes. Stanton Griffis will be his successor.

Q. Has Bruce resigned?

THE PRESIDENT. He has been wanting to resign for the last 3 months, and I have kept him from it.

Q. You have accepted the resignation?

THE PRESIDENT. Well, not yet.[5]

[13.] Q. Mr. President, there are some judicial vacancies in the District of Columbia?

THE PRESIDENT. There are 6 of them—6 of them, I think.

[3] Riots in connection with the appearance of Negro singer Paul Robeson at public gatherings near Peekskill, N.Y.

[4] See Item 209.

[5] On September 9, the White House released the text of the President's letter accepting the resignation of James Bruce as Ambassador to Argentina, to become effective on September 1, 1949. The Ambassador's letter of resignation was released with the President's reply.

Q. Are you now ready on that?

THE PRESIDENT. I am working on them. As soon as I can get them in shape, I am going to announce them all to you.

Q. Very soon, do you think?

THE PRESIDENT. Well, I don't know how soon it will be. It takes a little time. You know, the most important thing that I do as President, in my opinion, is to appoint Federal judges. I make it a rule not to appoint a man a Federal judge unless I think he is eminently qualified for that service, because they will survive me a long time as public servants, and the welfare of the country is really in the hands of the judiciary, because they get right down and decide what is right or wrong between individuals. So it will be a little while yet before I am able to announce them.

[14.] Q. Regarding Mr. Bruce, Mr. President, there have been some reports that he was in line for another diplomatic post?

THE PRESIDENT. I can't go any further than I have gone. You went a little far when I gave you that. [*Laughter*]

[15.] Q. Mr. President, are you considering any change in ECA?

THE PRESIDENT. No.

Q. Mr. Harriman——

THE PRESIDENT. No.

[16.] Q. Mr. President, on these judges, they serve for life, do they not?

THE PRESIDENT. For life. They have the option of retirement at the age of 70 on full pay, if they want to retire. Sometimes they do retire. I think one retired down in Alabama just the other day.

[17.] Q. Mr. President, have the Mexican loan negotiations been resumed yet?

THE PRESIDENT. I don't know whether they have or not. That is not in my hands, but they will be resumed, if they have not been.

[18.] Q. Mr. President, do you expect to make a political speech in New York before November?

THE PRESIDENT. I can't answer that question now. If it comes around so it will be helpful for me to make a political speech in New York, I shall probably make it.[6]

[19.] Q. Mr. President, is there anything you could say about the stories that you are planning to reappoint Mon Wallgren?

THE PRESIDENT. No, I have no comment on that.[7]

[20.] Q. Mr. President, on that steel strike truce, would that be for a week or 10 days, or any period?

THE PRESIDENT. The matter is just under consideration. We are trying to find out what the report of the factfinding board is, and then if it is necessary to take any further action I may ask for an extension of the time of the truce.

Q. You haven't decided?

THE PRESIDENT. Haven't decided on it yet.

Q. You will get that report?

THE PRESIDENT. Tomorrow—Saturday, at 11 o'clock.

Now, you didn't finish your question.

[21.] Q. I found some of the Senators were concerned about the possibility of a recess appointment——

THE PRESIDENT. I expect some Republicans are very much wrought up about it, so I hope to keep them that way.

Q. Mr. President, are you planning to withdraw the name of Carroll Switzer as

[6] For the President's radio address as part of a program sponsored by the Independent Citizens' Committee for Herbert H. Lehman for Senator, on November 5, 1949, see Item 251.

[7] The nomination of Mon C. Wallgren as a member of the Federal Power Commission was confirmed by the Senate on October 19, 1949.

Federal judge?

THE PRESIDENT. I am not. I think he would make a good Federal judge. He sent me a telegram saying if I felt like it I could withdraw his name, but I don't play the game that way.

Q. Do you intend to give him an interim appointment?

THE PRESIDENT. I can't answer that question. He hasn't been acted on by the Senate as yet. He hasn't come out of the Committee, so that question I can't answer.[8]

Reporter: Thank you, Mr. President.

THE PRESIDENT. It's all right.

NOTE: President Truman's one hundred and ninety-seventh news conference was held in his office at the White House at 4 p.m. on Thursday, September 8, 1949.

[8] The President had named Carroll O. Switzer of Iowa to be Federal District Judge for the Southern District of Iowa under a recess appointment. On October 17 the Senate Judiciary Committee postponed until the following year a list of 22 Federal Court nominations. Mr. Switzer's nomination was one of this number.

206 Veto of Bill To Convey Lands to the City of Miles City, Montana. *September 9, 1949*

To the House of Representatives:

I return herewith, without my approval, H.R. 3589, entitled "An Act to convey to the city of Miles City, State of Montana, certain lands in Custer County, Montana, for use as an industrial site."

The bill authorizes the conveyance of three tracts of land comprising 426.88 acres more or less, upon payment of a just and reasonable consideration to be determined by the Secretary of the Interior, and the granting to the city of Miles City of an easement for right-of-way purposes containing 14.67 acres. All rights to oil, coal, gas, and other minerals are reserved to the United States.

The land covered by the bill is an important part of the lands of the U.S. Range Livestock Experiment Station at Miles City. It is adjacent to station headquarters and its conveyance will interfere seriously with important beef cattle research under way there which is designed to assist livestock producers of this country. It is the only available land near station headquarters which can be used for assembling station cattle for such important operations as branding, weaning, and similar operations where it is necessary to assemble large numbers of experimental animals at headquarters. If this land were transferred, relocation of station headquarters may be required as industrialization progresses. Relocation costs are estimated to be $1,300,000.

The Federal government has cooperated with the city of Miles City on a number of occasions in the past in furthering the growth of the area. The last occasion was the transfer of 37.26 acres of land for industrial and recreational purposes in 1946. Up to the present time none of the land last transferred has been used for industrial purposes.

Inasmuch as the land now proposed for transfer is presently serving a very useful purpose to the livestock industry of this country, and the cost of relocating the station headquarters would apparently far exceed any return to the Treasury from the sale of land, its transfer cannot be justified. However, there is a tract of 133 acres of easily accessible land on the experiment station

lying south of Miles City, which the Department of Agriculture is willing to make available to the city immediately and which could be transferred by legislation. Since the city of Miles City is desirous of obtaining lands for further development, I am requesting the Secretary of Agriculture to consider the needs of the city for industrial expansion and the release of lands which would not impose hardships upon the research program which the station exists to perform.

I believe that if representatives of the Department of Agriculture and of Miles City will sit down together and work on this problem, a solution satisfactory to both can be found.

HARRY S. TRUMAN

207 Remarks to a Group of Bishops of the Church of England. *September* 9, 1949

I AM very happy you are here. I am glad of the privilege of meeting all of you. I hope you will enjoy your tour of our country, and that our hospitality will be what you anticipate.

I think one of the greatest things that we can do is to mobilize the moral forces of the world for a real awakening of the things that originate in the Sermon on the Mount. That is what we try to live by, and if we can get all the world in that frame of mind, we will come nearer stopping these terrible wars than by any other method that I know of.

I am certainly happy that you gentlemen have been willing to tour our country and get a viewpoint from us that can be obtained no other way. I hope we can send a return delegation to see your viewpoint and get the same information from you.

I sincerely hope you will enjoy your visit.

NOTE: The President spoke at 3:20 p.m. in his office at the White House. The Bishops were on their way to Williamsburg, Va., for the American Church Eucharistic Congress beginning on September 12, 1949.

208 Statement by the President Upon Signing Bill Providing Aid to Local School Agencies in Federally Affected Areas. *September* 10, 1949

I HAVE today approved H.R. 3829, "To provide assistance for local school agencies in providing educational opportunities for children on Federal reservations or in defense areas, and for other purposes."

This is emergency, stopgap legislation to continue for one more year, and to expand somewhat, a program that has been operating on this same emergency, stopgap basis for the last eight years. I am glad to note that both the Senate and the House of Representatives recognized, in the reports of their committees which considered this bill, that it does not offer a permanent or satisfactory solution to the important problems presented by the impact of Federal activities and Federal land ownership upon nearby local school districts. The reports of these congressional committees make it clear that this bill is intended merely to provide au-

thorization for needed funds during the fiscal year 1950 while the Congress gives further study to legislation which will meet these problems on a fair, uniform, and economical basis.

I share with Members of the Congress the belief that there is an urgent need to establish a comprehensive Federal policy and plan with respect to the education of all children living on Federal property not subject to State and local taxation, and the education of children living in communities which are adversely affected by Federal activities. With my approval the Federal Security Administrator on April 6, 1949, submitted to both Houses of the Congress a legislative proposal designed to establish such a permanent program administered by the Office of Education, and I recommend this proposal (subsequently introduced as S. 1724 and H.R. 4115) to the consideration of the congressional committees concerned. It is my hope that the Congress will see fit to enact permanent legislation along the lines of these bills and thus obviate any occasion for more stopgap legislation such as H.R. 3829.

The need for permanent Federal legislation to assist in the financing of the education of children living on Federal property and in communities adversely affected by Federal activities must not, of course, be confused with the need for broad and comprehensive Federal assistance to States for the education of elementary and secondary schoolchildren which I have repeatedly called to the attention of Congress with requests for appropriate enabling legislation.

NOTE: As enacted, H.R. 3829 is Public Law 306 (63 Stat. 697).

209 Telegram to Labor and Management Leaders Following Receipt of Report of the Steel Factfinding Board. *September* 10, 1949

THIS MORNING the Steel Industry Board has reported to me its unanimous findings and recommendations as to fair and equitable terms of settlement of the current labor disputes in the steel industry. The national interest requires that the United Steelworkers of America (CIO) and every employer involved in such labor disputes give the greatest weight and the most earnest consideration to the findings and recommendations of the three members of that Board as a basis for a prompt settlement of such disputes.

The parties to the labor disputes previously were requested to continue work and operations under the terms of the then existing collective bargaining agreements for a period of sixty days from July 16, 1949. This period will expire at 12:01 A.M. September 14, 1949. Obviously, additional time is required by all, including me, for study and consideration of the Board's findings and recommendations. The public interest in avoiding a stoppage of work and operations in vital segments of the steel industry, accordingly, makes it necessary for me to request at this time that the period for continued work and operations under the terms of such collective bargaining agreements be extended by both parties at least until September 25, 1949. I urge all parties in the steel industry labor disputes

to cooperate with this request. During this extended period I shall expect the Director of the Federal Mediation and Conciliation Service to make available to the parties every facility at his disposal in order to assist them in reaching agreement.

HARRY S. TRUMAN

NOTE: This is the text of identical telegrams addressed to 58 labor and management leaders in the steel industry.

The report of the Steel Industry Board, entitled "Report to the President of the United States on the Labor Dispute in the Basic Steel Industry" (Government Printing Office, 1949, 83 pp.), was submitted to the President on September 10, 1949. In the report the Board recommended against any wage rate increase at that time. It recommended the adoption of social insurance plans at reduced amounts from those asked by the union. It also recommended a system of pensions in an amount below that demanded by the union; but suggested a labor-management study of details and costs of pensions to be completed by March 1, 1950.

The Board was named by the President on July 15, 1949, and held hearings for 18 days in the U.S. Courthouse in New York City. Its members were: Carroll R. Daugherty of Evanston, Ill., professor of economics at Northwestern University, chairman; Samuel I. Rosenman of New York City, lawyer; and David L. Cole of Paterson, N.J., lawyer.

For the President's letter of September 21 to steel industry labor and management leaders urging an early settlement of the dispute, see Item 213.

210 Remarks at the Joint Meeting of the International Monetary Fund and the International Bank for Reconstruction and Development. *September* 13, 1949

Mr. Secretary of the Treasury, the Finance Minister of France, and members of the International Bank for Reconstruction and Development, and the International Monetary Fund:

It gives me a great deal of pleasure to welcome you again to Washington. I am particularly pleased that you are here at this time. There is nothing in the world that will contribute more to the peace of the world than international cooperation in finance and development; and that is what you are here for, to try to reach the right conclusions for reconstruction development and a stable interchange of goods and services on a monetary basis that is satisfactory to all concerned.

One of the principal things I think you have to work out is to do away with the obstacles to international trade. We must exchange on a world basis the services and the goods of all the countries among themselves. We would like for you to buy the things which we think we can make best, and we should buy the things which you can make best, and in that way we will have what they call a balance of trade. We will then be on a sound international trade basis, and we can then become on a sound international monetary basis.

I am very much interested in all these things because it was my privilege to be at San Francisco when the Charter of the United Nations was signed. It was my privilege to welcome you here, I think, once or twice before. It was my privilege to welcome the international agricultural people, who are interested in the development of the land resources of all the world, here in this very hotel not so long ago.

I am vitally interested in the success of the United Nations. The Government of the United States, as represented by the President and the Congress, is doing every-

thing it possibly can to make the United Nations a going concern for the peace and welfare of the world.

I hope that all of you enjoy your visit here, that you will come to a constructive conclusion, as I am sure you will, and that all of you will go back home with the idea of cooperation on a world basis for the welfare of the world as a whole.

Thank you very much.

NOTE: The President spoke at 3:30 p.m. at the Shoreham Hotel in Washington. In his opening words he referred to John W. Snyder, Secretary of the Treasury, and Maurice Persche, French Minister of Finance and Economic Affairs.

211 The President's News Conference of *September* 15, 1949

THE PRESIDENT. [1.] I want to welcome the visiting editors and publishers from the 14 foreign countries here this morning. I am glad they got to come in, and I hope I will have the privilege of shaking hands with them after the press conference is over.

I have a couple of announcements to make.

[2.] The Honorable Sherman Minton will be the United States Supreme Court Justice. I will appoint him, and as soon as the Senate confirms him, he will be the Justice.

I shall appoint the Honorable William C. Lindley, Judge of the United States Court for the Eastern District of Illinois at Danville, to succeed Judge Minton.

And, I have appointed Honorable Casper Platte, Judge of the Fifth Judicial Circuit of Illinois——

Q. Casper Platte?

THE PRESIDENT. P-l-a-t-t-e.

Q. What is he now, Mr. President?

THE PRESIDENT. He is Judge of the Fifth Judicial Circuit of Illinois. He succeeds Judge Lindley.

And I shall appoint Governor Ernest Gibson of Vermont to be the judge——

Q. You are going too fast, Mr. President!

THE PRESIDENT. How's that?

Q. You are going too fast. Would you slow up there just a bit?

THE PRESIDENT. Whereabouts are you?

Q. Judge Platte.

Q. Who is the last one, sir?

THE PRESIDENT. Honorable Casper Platte, Judge of the Fifth Judicial Circuit of Illinois. And Governor Ernest Gibson of Vermont, to be the Federal judge for the Vermont District.

I am ready for questions.

Q. I've already worn down one pencil. [*Laughter*]

THE PRESIDENT. Help yourself!

[3.] Q. Mr. President, Senator McCarran said last night, before sailing, that he is to visit Franco and talk about possible United States recognition, with the possibility of a loan for Franco Spain.

THE PRESIDENT. Senator McCarran is on the trip to Europe on his own. He represents nobody in the Government of the United States except himself. He can make no commitments with Franco or any other government. It is perfectly all right for the Senator to make a visit wherever he chooses, but he can make no commitments for the Government of the United States.

[4.] Q. Mr. President, Senator McCarran appointed Senator Eastland chairman of the Civil Rights subcommittee. Do you have any comment on that?

THE PRESIDENT. No comment! [*Laughter*]

[5.] Q. Mr. President, do you accept Senator Wherry's definition of statism?

THE PRESIDENT. I haven't read it. I don't know what the definition is. If he has a definition, he has more than any of the dictionaries have.

[6.] Q. Mr. President, in view of your assurances that the findings of the steel fact-finding board were not to be mandatory, do you consider it proper for CIO President Murray to demand that United States Steel accept those findings?

THE PRESIDENT. I have no comment to make on that situation, for I am hoping that negotiations will progress to a settlement.

Q. Mr. President, is anyone qualified to draw the distinction between acceptance as a basis of negotiations, and acceptance outright?

THE PRESIDENT. I think there is a decided difference. The acceptance as a basis for negotiation, I think, is the way that it has been accepted all the way around. That is my understanding.

[7.] Q. Mr. President, I understand that you are interested in the National Guard recruiting campaign, a 2-month drive that opens on the 19th. Can you tell us something about that?

THE PRESIDENT. I am very much interested in the National Guard recruiting campaign. I am interested in the National Guard as one of the components of the Reserve, and I think the defense of the country will depend almost entirely on the Reserve, when they have peace in the world. And I hope the National Guard recruiting program will be a success, as it always is.

I started my military career in the National Guard in 1905, on Flag Day, June 14, 1905. I joined Battery B, Kansas City, Mo.

Q. Battery B?

THE PRESIDENT. B—yes. Afterwards expanded to the 129th Field Artillery, along with two other batteries. When I got promoted from the rear rank to the front rank, I thought I had got the greatest promotion in the Army. I went a little further than that, later on.

[8.] Q. Mr. President, have you any comment on the results of the British-Canadian United States economic talks?

THE PRESIDENT. I think the communique is all the comment that is necessary.[1]

[9.] Q. Mr. President, have you any opinion on the Whelan plan providing for oil drilling equipment for Mexico?

THE PRESIDENT. I know nothing about the Whelan plan, so I can't comment on it.

[10.] Q. Mr. President, what do you think of the statements Captain Crommelin has been making recently, about the defense high command nibbling away at the Navy?

THE PRESIDENT. I think the Secretary of the Navy handled that very capably yesterday, and it is in the hands of the Secretary of the Navy; and I am sure he will continue to handle it in a capable manner.[2]

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[1] British, Canadian, and American financial and economic experts conducted preliminary technical and factfinding discussions in Washington from August 27 to September 2, in preparation for ministerial talks which began the following week. The tripartite economic conference was held from September 7–12.

For the joint communique issued by the conference representatives on September 12, see the Department of State Bulletin (vol. 21, p. 473).

[2] In a prepared statement presented to the press on September 10, Captain John G. Crommelin, a member of the staff under the Joint Chiefs of Staff, protested that the Navy's offensive power was "being nibbled to death" and its morale destroyed.

On September 15, Francis P. Matthews, Secretary of the Navy, reversed the elevation of Captain Crommelin to the post of Deputy Chief of Naval Personnel. He had been assigned to the post earlier in the day. The Secretary announced that Captain Crommelin had been transferred to the Office of Deputy Chief of Naval Operations for Air for duty in the air warfare division under Rear Admiral E. A. Cruise.

[11.] Q. Any comment on the Pennsylvania election, Mr. President?

THE PRESIDENT. No comment. [*Laughter*] If you remember, back in 1947 we had some barometers like that, and they didn't work.

Q. What was the last of that, Mr. President?

THE PRESIDENT. We had some barometers like that back in 1947 and it didn't work, remember them? I can name you three or four.[3]

[3] In a special election held in the 26th Congressional District in Pennsylvania the Republican candidate won. The election was characterized by the press as being the first grassroots test of President Truman's "Fair Deal" since the 1948 Democratic upswing.

[12.] Q. Mr. President, would you care to comment on the article signed by James Lawrence Fly in the current issue of Look magazine, in which he deplored the extent to which wiretapping is being done, both by State and city police forces, private operators and by the FBI?

THE PRESIDENT. Since I don't read Look, and since I haven't read Mr. Fly's article, I can't very well comment on it.

Reporter: Thank you, Mr. President.

NOTE: President Truman's one hundred and ninety-eighth news conference was held in his office at the White House at 10:30 a.m. on Thursday, September 15, 1949.

212 Remarks to the National Citizens Committee for United Nations Day. *September* 15, 1949

Mrs. Johnstone and members of the United Nations Committee:

I certainly am happy to have you here this morning, and I am more than pleased that you have begun to get ready for this celebration early.

In 1947, when the United Nations General Assembly made the 24th of October United Nations Day, we didn't have time, at that time, to put on a proper celebration of the event. So, in 1948, 48 nations took notice of the 24th of October as the birthday of the United Nations, and I am exceedingly anxious that 1949 shall see an all-out celebration around the world.

In order that that all-out celebration may be a success, it is necessary that we show what we believe here. I think that the United Nations is the only bulwark we have for the peace of the world, and our support of the United Nations is absolutely essential, with everything we have, to see that the peace of the world is obtained. And I am sure we are going to obtain it, if we continue to support the United Nations with everything we have, which we have been doing up to this time.

I can't tell you how very much I appreciate your interest in this organization, and in the event which we are going to celebrate on the 24th of October. I know you will have a successful celebration, and you will have the wholehearted cooperation of the President, and the Government of the United States.

Thank you very much.

NOTE: The President spoke at 11:40 a.m. in the Rose Garden at the White House. His opening words referred to Mrs. Anne Hartwell Johnstone, vice chairman of the Committee.

213 Letter to Steel Industry Labor and Management Leaders Urging an Early Settlement of the Dispute. *September* 21, 1949

Gentlemen:

The unanimous Report of the Steel Industry Board was handed to me on September tenth. In releasing the Report on that day I urged that the parties give "the greatest weight and the most earnest consideration" to the recommendations of the Board "as a basis for prompt settlement" of their disputes. At the same time, I requested the parties to observe the status quo until at least September twenty-fifth, saying "Obviously additional time is required by all, including me, for study and consideration of the Board's findings and recommendations."

I have since given careful study to the Report. In its concluding paragraph the Board stated:

"Because of the vital importance of continued steel production to the people of the United States and to democratic peoples all over the world, we hope that the union and the steel companies will find that these recommendations form a suitable basis on which they can reach agreement among themselves."

With this statement I am in the fullest agreement. My considered judgment of the excellence of the Report is shared by the press and the public generally. The recommendations of the Board have been accorded widespread acclaim and approval as a statesmanlike formula for fair and equitable settlement of the disputes in the steel industry.

In compliance with my request, Mr. Cyrus S. Ching, Director of the Federal Mediation and Conciliation Service, and his staff members have been meeting with the parties during the last few days for the purpose of assisting them in reaching agreement. He has reported to me that because of limitations of time it is unlikely that agreement can be achieved before September twenty-fifth. Every possible effort should be exerted and every possible opportunity afforded to reach a settlement and avoid a stoppage in this important industry.

Accordingly, I now request the parties immediately to meet in collective bargaining sessions and, giving the greatest weight and earnest consideration to the recommendations of the Board and to the public interest, promptly to resolve their differences. Since this will require additional time, I also request the parties to extend the period for continued work and operations under the terms of existing collective bargaining agreements until 12:01 a.m. on Saturday, October 1, 1949.

I am requesting Mr. Ching to continue to make himself personally available in order to assist the parties in reaching agreement.

I again emphasize that the national interest requires, and the American people have a right to expect, an early settlement.

Very sincerely yours,

HARRY S. TRUMAN

NOTE: This is the text of a letter addressed to the representatives of the steel workers union, and the representatives of the steel companies, care of Cyrus S. Ching, Director of the Federal Mediation and Conciliation Service, Interdepartmental Auditorium, Washington, D.C.

The terms of the contract negotiated by the United Steelworkers, CIO, and the Bethlehem Steel Company on October 31 set a pattern for further agreements in the steel dispute. Under the contract all Bethlehem employees retiring at 65 with 25 years service were to receive pensions of $100 or more a month, including Federal Social Security payments. The pension was to be adjusted downward for employees reaching 65 but with a shorter period of service.

On November 18, the last of the major steel companies, the Crucible Steel Corporation signed a sim-

ilar agreement with the United Steelworkers and ended the 49-day strike.

Crucible Steel Corporation was the last of the 19 leading basic steel companies listed in the President's factfinding board's report to come to terms with the union on the basis of the "Bethlehem agreement."

214 The President's News Conference of *September* 22, 1949

THE PRESIDENT. [1.] Dr. Basil O'Connor has resigned as President of the Red Cross, and General Marshall will succeed him on October 1st. The exchange of letters between Mr. O'Connor and myself is available if you want it, after the conference.

Q. What was the date for General Marshall?

THE PRESIDENT. General Marshall will take over on October 1st.

Q. President of the National——

THE PRESIDENT. American National Red Cross.

Q. That job doesn't pay anything, does it?

THE PRESIDENT. It is an honorary job. I think where trips are necessary to an emergency area, probably expenses are covered in the thing.

Q. Are you sure it doesn't pay——

THE PRESIDENT. I don't know—I can't answer it definitely, because I don't know. It doesn't make any difference to General Marshall whether it pays or whether it's honorary, he is going to take it anyway.

[2.] Q. Mr. President, do you have any comment on the change of government in Germany? I understand the State Department took over.

THE PRESIDENT. No, I have no comment.[1]

[3.] Q. Mr. President, this is an old one that comes up periodically here. Because it came up again today in the Senate, we will bring it up again. Senator McMahon said this afternoon that after the arms aid bill passes that he certainly wishes you would suggest a meeting with Mr. Stalin?

THE PRESIDENT. I have no comment to make on that.

[4.] And, just so you'll be satisfied, General Vaughan [*not present*] is in the dentist's chair. [*Laughter*]

Q. In pain?

THE PRESIDENT. Probably. Did you ever sit in a dentist's chair without being in pain?

[5.] Q. Mr. President, have you any comment on the devaluation of the pound?

THE PRESIDENT. No, I have no comment. I think all the comment necessary was made by the Secretary of the Treasury, the Secretary of State, and the foreign representatives who were here at the meeting.[2]

[6.] Q. Mr. President, we have a story today that Chairman Lesinski of the House Labor Committee doesn't expect any effort to write a new labor bill, either at this session or the next. He says unless the attitude of the Congress changes, it is hopeless.

THE PRESIDENT. You don't expect me to make any comment on that, do you?

Q. Do you have any hopes of repealing Taft-Hartley——

THE PRESIDENT. I certainly have.

[1] On September 21 the responsibility for the control of the American zone of Germany was transferred from the Department of Defense to the Department of State. On that date the Council of the Allied High Commission, representing the United States, British, and French Governments, came into being and formally proclaimed the Occupation Statute which was an act in lieu of a peace treaty between the Western occupying powers and the new Federal Republic of Germany.

[2] The financial and economic conference between British, Canadian, and American officials, held in Washington from September 7-12.

Q. ——at the next session?

THE PRESIDENT. My position hasn't changed, and I don't intend to answer questions any further.

[7.] Q. Mr. President, do you think Congress ought to go home without acting on civil rights?

THE PRESIDENT. That is up to Congress. I expressed my views in the Message on the State of the Union back in January.

Q. Mr. President, are you pressing your leaders to bring up civil rights before adjournment?

THE PRESIDENT. Well now, the leaders were here this morning and you had a chance to interview them.

Q. They said maybe.

THE PRESIDENT. I am not speaking for the leaders. I talk to them, not over their heads at a press conference.

[8.] Q. Mr. President, do you plan to make any moves in the coal stoppage?

THE PRESIDENT. No comment on that.

[9.] Q. Do you feel hopeful still about averting a steel strike, Mr. President?

THE PRESIDENT. From what I see in the papers, it looks very hopeful. [*Laughter*]

[10.] Q. Mr. President, from the Hill we hear they got pretty quick action reporting out the point 4 bill, and I think Senator Lucas said you had asked for that this morning?

THE PRESIDENT. That's right. I asked them for that. I think the legislative program will work out very well, just as I said at Pittsburgh, before Congress adjourns.

[11.] Q. Mr. President, do you have any views on noncontributory pensions, which is an issue in the steel——

THE PRESIDENT. I have no comment. [*Pause*] What's the matter——

Reporter: Thank you, Mr. President.

NOTE: President Truman's one hundred and ninety-ninth news conference was held in his office at the White House at 4 p.m. on Thursday, September 22, 1949.

215 Letter Accepting Resignation of Basil O'Connor as President of the American National Red Cross. *September* 22, 1949

[Released September 22, 1949. Dated September 21, 1949]

Dear Mr. O'Connor:

The sum of your activities and the value of your achievements during the years of your direction of the work of the American National Red Cross constitute a contribution of incalculable value. Your efforts have indeed been time consuming. They justify your desire to relinquish active association with this great organization in order to return to private pursuits.

Accordingly I have no recourse but to accept, effective as of October first next, your resignation as President of the organization, tendered in your letter of September nineteenth.

You have directed Red Cross activities through momentous years, both in war and in peace, and not the least of your contributions has been that which you made in piloting a complete reorganization plan through the Congress.

When my predecessor appointed you Chairman of the then Central Committee of the American National Red Cross in midsummer, 1944, this country was in the throes of the greatest war in history. The

Red Cross responded magnificently to the call which war sounded. Its ministry of relief to the sick and wounded on far-flung battle lines is an epic of service—a service that continued after active hostilities were concluded and the call was to maintain morale in the cold war that followed. In every crisis Red Cross made its own peculiar contribution to American life.

With victory to our arms you turned your attention to the revision of the outworn charter with its antiquated procedure. You achieved this happy result with consummate skill. You have justified abundantly my confidence in appointing you the first President of the reorganized American National Red Cross. I feel that you have, through this reorganization at national level, with upwards of four thousand chapters and a Board of Governors of fifty members, given your country a relief agency capable of efficient work through strictly democratic processes.

I concur in your opinion that the Red Cross blood program may well become the greatest single health activity in history.

And so to you I say: well done. For all that you have achieved you have earned the thanks of your government and of the great American people.

Very sincerely yours,

HARRY S. TRUMAN

NOTE: On July 13, 1944, President Franklin D. Roosevelt appointed Mr. O'Connor chairman of the Central Committee of the American National Red Cross, in which capacity he served until May 8, 1949. At that time President Truman appointed him the first president of the reorganized American National Red Cross, to serve for a 3-year term until June 1951.

Mr. O'Connor's letter of resignation was released with the President's reply.

216 Statement by the President on Announcing the First Atomic Explosion in the U.S.S.R. *September* 23, 1949

I BELIEVE the American people, to the fullest extent consistent with national security, are entitled to be informed of all developments in the field of atomic energy. That is my reason for making public the following information.

We have evidence that within recent weeks an atomic explosion occurred in the U.S.S.R.

Ever since atomic energy was first released by man, the eventual development of this new force by other nations was to be expected. This probability has always been taken into account by us.

Nearly 4 years ago I pointed out that "scientific opinion appears to be practically unanimous that the essential theoretical knowledge upon which the discovery is based is already widely known. There is also substantial agreement that foreign research can come abreast of our present theoretical knowledge in time." And, in the Three-Nation Declaration of the President of the United States and the Prime Ministers of the United Kingdom and of Canada, dated November 15, 1945, it was emphasized that no single nation could in fact have a monopoly of atomic weapons.

This recent development emphasizes once again, if indeed such emphasis were needed, the necessity for that truly effective enforceable international control of atomic energy which this Government and the large majority of the members of the United Nations support.

217 Statement by the President Upon Signing the Trade Agreements Extension Act. *September 26, 1949*

I HAVE today approved the Reciprocal Trade Agreements Extension Act of 1949, which extends until 1951 our trade agreement program, free of the crippling restrictions imposed on it in 1948 by the 80th Congress. Through this wise and farseeing legislation, the United States reaffirms its intention of pressing forward toward expanded world trade at a time when such action is most urgently needed.

In the first phase of our postwar foreign economic policy, we gave our primary attention to restoring the productive capacity of our friendly neighbors in the world community. In this task we have already gone a long way. But the process of postwar readjustment brought an inevitable growth of restrictive trade and financial measures throughout the world. We cannot permit these barriers to remain and thus stifle a progressive rise in standards of living throughout the world, which would provide our best insurance of a peaceful future.

As we have carried out temporary programs of financial assistance, we have increasingly sought adjustments tending to break down artificial trade barriers and to lead toward the reestablishment of expanding and competitive world trade, the permanent objective of our international commercial policy. We envisage a reestablishment of economic balance in the world which will permit our neighbors now receiving our assistance in securing needed imports to become self-supporting through a liberal expansion of the international exchange of goods in competitive world markets. Only in such a world economy can we foresee the maintenance of adequate and rising standards of living when our programs of financial assistance terminate.

Earlier this month, representatives of our Government came to agreement in Washington with British and Canadian representatives on certain courses of action which will be of considerable immediate assistance in easing international financial maladjustments. But it was recognized by all that further steps are needed to open the way for the sound expansion of international trade so essential to a lasting solution of basic international economic maladjustments. From the long-range standpoint, it is clear that only by a large expansion of our purchases of foreign goods will the needed readjustment in international economic relations be possible, on a basis consistent with a liberal world trading system, and the richer world it offers. We must reduce our own barriers, wherever possible, to permit our people the freest access to the foreign goods they may want to buy. The maintenance and the enlargement of our export markets are impossible without a substantial expansion of our imports. As the world's greatest creditor nation, it is our special responsibility to welcome imports.

Under the Reciprocal Trade Agreements Act, we negotiated and put into effect 2 years ago the General Agreement on Tariffs and Trade, a comprehensive agreement by 23 countries for the reduction of tariffs and other trade barriers. By this agreement, we made substantial reductions in our tariffs in return for commensurate tariff concessions by the other 22 countries. In the past several months the countries which are now parties to the general agreement have been negotiating with 10 additional countries at Annecy, France. The enactment of the Trade Agreements Extension Act of 1949 will make possible the early conclusion of

these negotiations, and the accession of these additional countries to the general agreement. Thirty-three countries carrying on approximately 80 percent of the world's trade will then be parties to a mutual undertaking to reduce trade barriers and expand international commerce. Beyond completing the Annecy negotiations, I intend to use the authority given me by this legislation to proceed with negotiations under the general agreement to make it an even more effective document.

The trade agreements program has been carried forward by this Government since 1934 under authority of a series of temporary enactments. A year and a half ago, we completed, with representatives of over 50 other countries, a text of a permanent charter for an International Trade Organization, which will carry forward and elaborate the principles underlying the reciprocal trade program into a permanent world economic policy. I have placed the charter before the Congress and urged our adherence. Prompt action by the Congress to carry out this recommendation will constitute the firmest assurance to the world that the United States recognizes its position of world economic leadership, and is prepared to do its share in reestablishing world economic relations on a sound competitive basis for the mutual well-being of all peoples.

NOTE: The Trade Agreements Extension Act of 1949 is Public Law 307 (63 Stat. 697).

218 Letter to the Vice President Urging Senate Action To Raise the Salaries of Federal Executives. *September 26, 1949*

Dear Mr. Vice President:

The Senate now has under consideration the Armed Services Pay Bill and, I understand, expects soon to consider the bills to revise the salary scales of the civilian officers and employees of the Government. I am glad that the Senate is taking up this much needed legislation. However, I have been surprised at some of the reports I have heard concerning objections that are being raised to these bills, particularly as they relate to revision of the salaries of officials holding key executive positions.

This is a matter of such great personal concern to me that I want to take this means of asking the Senate to consider this legislation particularly from my point of view. As I have said many times, the efficient administration of the Executive Branch of the Government requires well qualified people for important positions. Because of the inadequate salaries provided for these positions, it has become increasingly difficult for me to get and keep such people. The passage of the legislation now pending in the Senate will help the situation materially. Unless it is passed, my difficulties will be greatly increased. The relatively small cost of this legislation will be repaid many times over in improved efficiency in the operation of the Government.

I have heard that objections are being raised to the executive pay bill on the ground that some of the proposed increases are too high in terms of percentage of the present salaries for the positions involved. The fact is that the proposed salaries are very modest in relation to the responsibilities of these positions. If they appear to be high in relation to the present salaries, that is because the present salaries are ridiculously low. As I recently pointed out, the 15 top executives

of a single private corporation in this country are paid more than the aggregate salary now paid to all the 250 or so Federal officers to whom this bill applies.

I have also pointed out that these officers have been passed over time and again when the Congress made adjustments in the compensation of other officers and employees. Senators and Representatives have increased their own compensation by more than 100 per cent since 1924, while the salary for many of these executive officers has not been increased at all. Over the same period, the salaries of most Federal judges have also been doubled and the others have been increased by more than two-thirds. Substantial increases have been made recently in the compensation of the President, the Vice President and the Speaker of the House. Since 1945 the compensation of Federal employees below the top executive level has been increased several times. The total increases range up to 96 per cent in the lower grades. Salaries and wages in private industry have also been greatly increased in recent years, while no corresponding increase has been made in the salaries of Federal executives.

The legislation now pending in the Senate to correct this anomalous situation has had long and careful study. It has been considered at length and reported favorably by the Senate Committee on Post Office and Civil Service in both the 80th Congress and this Congress. It is in line with the recommendations of the Hoover Commission. It has already passed the House of Representatives. The salary rates provided in the bill passed by the House and reported by the Senate Committee are, for the most part, lower than those I recommended. Nevertheless, that bill does provide a reasonably adequate means for meeting this difficult problem. Together with the revisions of the Classification Act proposed in other legislation now pending, it will provide a pattern in which the salaries for different Federal positions have a much more reasonable relationship to the relative responsibilities of those positions than under present law.

In this letter concerning pending pay bills, I have spoken chiefly of the legislation concerning salaries for executive positions, because it is concerning those salaries that the most question appears to have been raised. I wish to point out, however, that all the pending bills are related to one another and that substantial injustices are likely to be done unless the proper relationship between them is maintained.

I urge the Senate to act favorably upon this legislation, which will do so much to help me in properly discharging the duties of my office.

Sincerely yours,

HARRY S. TRUMAN

[The Honorable Alben W. Barkley, Vice President of the United States]

NOTE: The Career Compensation Act of 1949 was approved by the President on October 12, 1949 (63 Stat. 802).

H.R. 1689, "A bill to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies," was approved by the President on October 15, 1949 (63 Stat. 880).

For the President's letter to the President of the Senate and to the Speaker of the House urging pay increases for Federal executives, see Item 3.

219 Radio Address on Democratic Women's Day. *September 27, 1949*

[Broadcast from the White House at 3:05 p.m.]

THANK YOU, Mrs. Edwards. It certainly was a great pleasure to listen to the talks of these three good American women.

I am glad to speak to the women of the United States on Democratic Women's Day.

As President, I know that women have an interest in the welfare of the Government that goes far beyond job holding or partisanship. I know that women are not misled by political slogans. They have learned that the real issues in political activity are the well-being of the country and the future of their families. Women look beneath the labels and see the facts.

It is my firm conviction that the Democratic Party offers more for the welfare of the country—and therefore more for the women of the country—than any other party or political group.

The Democratic Party has a program.

It is a program of practical measures. It is not a blueprint imposed from on high by a little group of theorists. Neither is it a set of platitudes concocted by a group of corporation lawyers in a smokefilled room. Our program is an expression of the desires of the people.

The Democratic Party does not dodge issues or seek to gloss them over. We state them boldly. We propose concrete and practical action to solve them.

Our program consists of measures which have come up from the grassroots—of ideas and proposals that have been discussed and hammered out among unions, in farm groups, in city councils, in county boards, and in State legislatures. Our program is as American as the soil we walk upon.

It is a program unshakably founded on the principle that the power of government should be used to promote the general welfare. It is a program based upon the experience of the Democratic Party in using the power of government to establish actual conditions in which the people can achieve a better life for themselves and for their children. It is a program of what should be done and what our experience tells us can be done.

We have just heard, from the ladies present here, the viewpoints of the farmer, the worker, and the businessman. It is interesting to see how these three points of view fit together. Each of these groups depends on the others. Farmers cannot be prosperous unless industrial workers have good wages and steady employment so they can buy the products that farmers raise. Workers cannot be prosperous unless the farmers have good incomes and can buy the things that industrial workers make. Businessmen cannot be prosperous unless both the farmers and the workers have the money to buy the things they sell.

All groups in our Nation depend on one another. That is what the term "general welfare" means. The general welfare is the sum total of the welfare of all the groups in our country.

The Constitution was established to "promote the general welfare." These are the words of its preamble. And that is the duty of our Government.

The Democratic Party proposes to see that the Federal Government carries out this constitutional responsibility. We will do that in spite of the outcries of certain people who say there is something alien or dangerous in

the idea of a government that works for the welfare of all our citizens. Those people are just about 160 years behind the times. They want us to forget the language of the Constitution itself.

We have some serious problems in this country today. If we are to continue to promote the general welfare, we must devise modern methods to solve these modern problems.

One of our serious problems today is the fact that there are not enough good houses for our rapidly growing population. The Democratic Party is pledged to work for good housing. The 81st Congress has just passed a public housing bill to provide assistance in building homes for low-income groups. The 81st Congress and the administration are working out solutions for the home-building problems of other groups. Since the 1948 election, and in spite of determined opposition, we have made great progress in the field of housing. We are going to keep right on making progress.

We are just as interested in good schools as we are in good houses. I think all of you know that many boys and girls are not getting the right kind of schooling. There are not enough teachers and there are not enough school buildings. Our schools are getting steadily more crowded. Women who serve on school boards and women who teach know that in many parts of the country better schools cannot be obtained unless there is financial assistance from the Federal Government.

This administration has pledged Federal aid to the States to help them improve their schools. A bill providing such aid has already passed the Senate and is now awaiting action in the House of Representatives. I shall continue to urge Congress to pass this legislation.

We must also act promptly to improve the health of our Nation. The women of the country, particularly, know that in many areas there are not enough doctors or hospitals and that many families cannot afford the medical care they need. This administration has proposed a program of improved medical care. Some parts of this program, such as an expanded health service for schoolchildren and additional aid for hospital construction, have already passed the Senate. Our medical program will mean happier homes, healthier children, greater opportunity for useful lives for all the people.

A good system of social security is also essential to our welfare. We established the principle a long time ago that the people of this country can protect themselves against the hazards of life and the burdens of old age by a system of social insurance. We need to make improvements in our social insurance system at this time because its benefits are entirely too low to meet current living costs. We should bring this system up to date by increasing its benefits and extending its protection to more people. This is part of the program to which the Democratic Party is firmly committed. The 81st Congress is going to improve our social security system.

Another part of the Democratic Party program is to increase the minimum wage for industrial workers from 40 cents to 75 cents an hour. A bill for this purpose is well along toward final passage in the Congress, and I am confident that it will become law very shortly.

Minimum wages and social security together protect our working people against disastrously low incomes. Farmers need safeguards against low incomes, too. The Democratic Party has taken the lead in

working out a program for lasting farm prosperity, for we know that the welfare of the country depends upon the welfare of our farmers.

We are determined to see that our economy continues to grow and expand. That is why we are enacting laws to provide for better use of our abundant natural resources, to develop more electric power, and to bring water to areas in need of it.

Above all else, we want to keep the United States prosperous and strong because we know that our prosperity is the best guarantee of peace. Every measure to promote the general welfare in this country is a measure to promote peace in the world.

The program of the Democratic Party is a program for prosperity and peace. It can be made effective only through the united efforts of our citizens.

It is not enough for the Congress to pass these measures. They have to be brought to life by the citizens of this country, and by our State and local governments. Our public housing program will not be effective unless local authorities, backed by alert citizens, are active in building and operating local housing projects. Our program of aid to education will not be effective unless there is efficient and public-spirited hometown and home-state administration. Our farm program depends upon the joint effort of our farmers in county committees and rural cooperatives.

Only the people, working together, can make our program a success.

I ask you to bear that in mind when you hear people saying that measures for the general welfare are merely Federal handouts to selfish or incompetent people. I ask you to bear it in mind when you hear our opponents saying that our program is undermining local government and the moral character of our citizens.

The facts are just the opposite. Our program increases opportunity and incentive among our citizens. It increases the responsibilities and activities of our local governments.

The American people are not afraid of their Government, because they know it belongs to them and that they control it. Now, more than ever before, the people realize that they can use their Government to help achieve wider opportunity and greater security—to help achieve real independence for themselves and their children.

This concept of government has been greatly advanced by the increasing participation of women in our political life, with their straightforward approach to public affairs. I am confident that the women of the United States will continue to exercise their democratic rights in order to build a happier and more prosperous Nation.

NOTE: The President's address was part of a program sponsored by the Women's Division of the Democratic National Committee marking "Democratic Women's Day." The President spoke at 3:05 p.m. from the Projection Room of the White House. He was introduced by Mrs. India Edwards, executive director of the Women's Division of the Democratic National Committee.

The three women referred to by the President were Mrs. Elsie West of Lothian, Md., who represented the farm women of America, Mrs. Albert C. Hulihan of Slippery Rock, Pa., who represented labor, and Mrs. George London of Raleigh, N.C., who represented small business.

220 Address in Kansas City at a Dinner Honoring Democratic National Chairman, William M. Boyle, Jr. *September* 29, 1949

Mr. Chairman, Mr. Vice President, Governor Smith, distinguished guests, and ladies and gentlemen:

You know, I am highly pleased that the Governors of these adjoining States to Missouri and Kentucky are here.

It is a tremendous handicap, however, for a man of my short ability to have to follow a galaxy of orators such as preceded me.

A friend from Vermont told me awhile ago that if he could speak like that Vice President, he would carry Vermont in the Democratic column. I don't know—I think that's taking in a lot of territory.

I am more than happy to be here to take part in this celebration that honors my friend, Bill Boyle.

Bill's all right! Don't let anybody tell you differently!

I was told, and this was whispered to me by an expert in the business, that in all probability I wouldn't get a bite to eat here, because they had everybody in Missouri and Kansas and Oklahoma and the surrounding States here for dinner, and that there weren't enough waiters in this part of the world to serve them all. But they were fooled. They did an excellent job, and I got something to eat—and it was all right. So did everybody else.

And, I liked that music.

And, I liked this Regan boy down here. He knows how to do it! More than that, he's a darn good Democrat. And he always comes to the Democrats when they ask him, and serves them just like he did tonight.

It is great that so many friends have turned out to honor you, Bill.

We are glad—we are *very* glad that we have managed to get our distinguished Vice President to visit a place in Missouri outside of St. Louis! The Vice President is a grand man, and I am proud that he is my friend and my counselor. And I am also exceedingly glad that he is about to become a citizen of Missouri.

I am not surprised at this turnout. Everybody who knows Bill Boyle as well as I do knows that he deserves all the fine things that have been said about him tonight. And nobody knows better than I do how fortunate the Democratic Party is to have him as our new chairman.

This is the second time in recent years that you have had a Democratic National Chairman from Missouri. The other one is my good friend Bob Hannegan. He did a great job as chairman, and he helped me into a lot of trouble. He had something to do with getting me into the spot where I am now, and I don't know whether to spank him or thank him.

We also have with us tonight another man who did a great job as chairman of the National Committee, my good friend the Attorney General, Howard McGrath. He also had something to do with getting me into trouble.

And Howard, and Bob, and Bill, if you don't understand how you became chairman of the Democratic Commitee, I can take you out behind the scenes and tell you how you got there.

All these men are friends to tie to. You never have to guess where they will be in a pinch. They are there when you need 'em, and that's the kind of friends I like to have around me!

The chairmanship of the Democratic Party is a most important office. That is

because the political party is the American way of getting things done. Our political parties are the means through which our people make the choice of going forward or backward, of having a government for the people, or a reactionary government for special interests.

We missed that last fall, thank God!

The Democratic Party is the party of progress, the party of the people, the party that tries to serve *all* of the people, not just a few of them.

To keep the Democratic Party the party of the people, we must be sure that the men who lead our party have a deep faith in the people, and a firm devotion to the general welfare.

I was delighted when the Vice President decided to explain to you—you need no explanation, you Democrats don't—but some of you Republicans who are here, you need an explanation of what *general welfare* means. And I am more than happy to see a large number of my Republican friends here. They expected to come here and weep with me after last November, but they are here to celebrate with me now.

I can think of no one who has a better opportunity for public service than the man who serves as National Chairman of the Democratic Party. The National Chairman of the Democratic Party is a most important individual to the Government of the United States, and I am as happy as I can be that it has been my privilege to serve with Democratic National Chairmen who have always had the public interest at heart.

Bill Boyle will be no exception to that.

I can think of no one who can fill the job better than you will, Bill.

We did quite a bit last November to strengthen the Democratic Party. We proved that broken down reporters turned columnists, pollsters, and misguided editors can't fool the people—at home or abroad.

That is one of the best things that ever happened to these United States. It is a great step toward a real, honest, free press. And that is what we need in this country worse than anything in the world.

Because the Democratic Party won that election, it strengthened the United States at home and abroad.

We still have much to do. We must keep right on working, because we intend to carry out our promises to the American people. The Democratic platform adopted at the National Convention is not a scrap of paper or a lot of platitudes just to catch votes.

The Democratic Party has a reputation based on its record—a record of laws passed that have meant prosperity and jobs, and better and healthier lives for the people of the United States, a record of fulfilling party platform promises—and we are going to continue to do just that!

Now, I have told the Congress, and the leaders in the Congress, that we are going to fight it out on that basis if it takes all summer or winter, and all next summer.

We intend to keep the record of achievement by continuing to work for the welfare of all the people of this country. The Democratic Party looks to the future. We are trying not only to meet today's problems, but also to work out a course of action that will lead to a better world in the days ahead.

The sole ambition of myself is a peaceful world, where every nation can live without fear of being invaded or trodden down—and we are going to get that, before we leave off!

We don't propose, like some people, to meet today's problems by saying that they don't exist, and tomorrow's problems by wishing that tomorrow wouldn't come.

Neither do we propose to try to meet today's problems by repeating the mistakes that got our country into trouble in the past.

We are not like some people who would like to go back to the 1890's. We know we can't go back, and it is dangerous to try to go back. The clock never runs backward.

The world has changed a good deal since 1890. We have problems and opportunities today which were not even dreamed of then. It is a wonderful thing to contemplate the progress we have made in this world since 1890. It is a most wonderful thing to contemplate. There is only one thing that we need to do, and that is to catch up with the moral spirit that will match the material spirit in which we live. We can't attain that purpose by looking for and thinking only of material things. We must think of the welfare of all our fellowmen everywhere in the world. We must think of the things that guided this country to success in the beginning.

My political philosophy is based on the Sermon on the Mount. And it is the hardest thing in the world for any man to live up to. If you haven't read it lately, I would advise you to go home tonight and read it. It will do you a lot of good.

One of the most remarkable changes since 1890 is the great growth of this country, and its increasingly higher standards of living for all of our people. We are still going, and our levels of income are still rising. We must continue this steady growth.

Now, not long ago I said we ought to raise our national income from its present level of well over $200 billion a year to $300 billion a year. You remember the plain necessity in the war when our great Democratic President Roosevelt said we must make 60,000 planes in 12 months.

You remember the backward-pulling boys who said, "It can't be done"? Well, we did it, and did it 40,000 more!

This $300 billion income will mean great advances for all our people. It will mean better incomes for everybody. It will mean that we can lift up those families—one-fourth of our population—who have incomes today of less than $2,000 a year and place most of them in the better income brackets.

That is what we are looking forward to. That is what our domestic and foreign policy means. That means the welfare of ourselves and the whole world. When the world is doing well we can't help but do well.

We have a responsibility which no other country in the history of the world has had. We have attained a position in world affairs unequaled in the history of the world.

Now, we have got to assume that responsibility, and that responsibility is *yours*. I only represent you as President of the United States.

Now it is within the range of practical possibilities, if we continue to the rate of growth which we have had in the past, we can establish an income level in the country of $4,000 per family per year. That is not a pipe dream. It can be done. But it can't happen by itself. And it can't happen if we have a lot of pull-backs at the helm of the Government. It is something we can do only by carrying out those programs for the growth of the country and the security of the citizens that have already shown such tremendous results in the prosperity and happiness of this country.

These programs of ours—programs for public power, and for irrigation, and reclamation, and for Federal aid to education, and for improving the national health—are not the result of fancy theories or tricky blueprints. They are not programs imposed

from on high. They are programs which have come up from the needs of the people, programs which have been worked out by the people to meet their aspirations for a better life for themselves and their children. They are programs democratically conceived, and democratically adopted. The Democratic Party is going to keep on working for the people with a program for their welfare and benefit.

Now, they had a few meetings, which Bill Boyle referred to. We have had two recently, one in Des Moines and one in San Francisco, in which we discussed the needs of the people and the manner in which those needs were to be met. There was another meeting held in Sioux City, Iowa, in which it was frankly stated that the people who sponsored that meeting had no programs, they just wanted to talk. And they didn't say very much, either. A Republican writer from Washington sent back a lot of information on what took place there, and I couldn't find anything in it.

The 81st Congress has already made great progress in enacting measures that are necessary to the growth and welfare of this country. It will continue that progress. We are going to carry out the pledges of the Democratic Party of 1948 because we know they will promote the general welfare of all the people.

We all have a part in that job. Bill Boyle has a part in that job. The Vice President has a part in that job. The Governor of Missouri, the Governor of Alabama, the Governor of Louisiana, the Governor of Oklahoma have parts in that job. And every Member of Congress, both House and Senate, has a part in that job. And so have I. I have got a part in it, too. And I am working at it as hard as I know how.

All together we can do that job. Now let's get to work and do it. If we do that, we will win with that program in 1950, and we will win with that program in 1952.

Thank you.

NOTE: The President spoke at 9:28 p.m. at the Municipal Auditorium in Kansas City, Mo. His opening words referred to William M. Boyle, Jr., chairman of the Democratic National Committee; Alben W. Barkley, Vice President of the United States; and Forrest Smith, Governor of Missouri. Later in his remarks the President referred to Phil Regan, who earlier had sung a number of songs in honor of the occasion. At the conclusion of his remarks the President referred to Governor James Folsom of Alabama, Governor Earl Long of Louisiana, and Governor Roy J. Turner of Oklahoma.

The President's address was broadcast over statewide radio and was televised.

221 Radio Remarks Opening the Community Chest Campaign. *September* 30, 1949

[Broadcast from the White House at 10 p.m.]

My fellow Americans:

We are on the eve of a typically American campaign—a peace campaign that will enlist, during October, the energies of a million and a half volunteer workers. They are setting out to raise some $185,000,000 to meet community needs through the familiar Red Feather services of the Community Chests.

These services are many and varied. They include, among others, child care, recreation and character-developing activities for boys and girls, counseling and help to families in time of trouble, healing for those who are sick in body or in mind, care and companionship for the aged.

This year Red Feather campaigns in many

cities will include the USO—the United Service Organizations. The USO has been reactivated at my request as an essential element in our national security. Let us remember that the USO is still a "home away from home" for more than a million and a half young men and women in our Armed Forces. The USO budget of $12,000,000, some of it to be raised through the Chest and the rest through independent campaigns, will continue to maintain the more than 150 clubs and lounges now in operation. It will continue to finance the Veterans Hospital Camp Shows which bring so much pleasure to the hundred thousand patients in our Army, Navy, and veterans' hospitals. Surely the USO deserves the generous support of all of us.

Red Feather services exist to help people with their problems. These problems, as we all know, seldom appear singly. A young mother may plead, "Help my sick baby to get well." But the baby's illness may stem from a long chain of other troubles—from inadequate diet for the family, from crowded living conditions, from worry and fright—any or all of these. And such troubles may require the combined services of clinics, visiting nurses, family counselors, and a recreational plan for the whole family.

Problems like these simply can't be approached separately, in a hit-or-miss fashion. It speaks well for the voluntary agencies which must provide many services to meet many needs, that they have united under the Red Feather symbol to raise their funds through one annual, federated appeal.

There is strength in a federation of any sort. We speak of a "helping hand." But a hand, just by itself, can't help anyone. It is dependent upon muscles, nerves, bloodstream, and brain, a federation of services, mutually helpful. In our form of government, we Americans have long since passed beyond the confining barriers of State lines into the federation that is the United States of America, serving all its people and being served by them.

It is this same cooperative spirit which has created and maintains your local Community Chest. Let us give generously through this federation of many organizations, meeting many community needs, so that everybody benefits.

222 Letter to Senator Johnson on the Nomination of Leland Olds to the Federal Power Commission. *October* 4, 1949

[Released October 4, 1949. Dated October 3, 1949]

Dear Senator Johnson:

Your Committee is considering the nomination of Leland Olds to be a member of the Federal Power Commission. Because of the nature of the opposition that has been expressed to his confirmation, I would like to take this means of emphasizing the great importance which attaches to this nomination as a matter of the public interest.

The decision on this nomination will have an important influence on the future effectiveness of the public regulation of the great interstate public utilities in this country.

Mr. Olds is a nationally recognized champion of effective utility regulation; his record shows that he is also a champion of fair regulation. He has already served two full terms as a member of the Federal Power Commission. In this capacity he has served ably and loyally in regulating the basic power and gas industries. The quality of his service is attested by the witnesses who

have appeared in his behalf before your Committee. These witnesses represent millions of people throughout the Nation including labor, agriculture, municipal officials, state regulatory bodies, educators, and experts in the utility field.

However, Mr. Olds has also made enemies during his service on the Federal Power Commission. The powerful corporations subject to regulation by the Commission have not been pleased with Mr. Olds. They now seek to prevent his confirmation for another term. It would be most unfortunate if they should succeed. We cannot allow great corporations to dominate the commissions which have been created to regulate them.

I am aware of the efforts that have been made to discredit Mr. Olds before your Committee. Nothing has been presented in testimony there which raises any doubt in my mind as to his integrity, loyalty or ability. Much that has been said about him is largely beside the point. The issue before us is not whether we agree with everything Mr. Olds may have ever said or even whether we agree with all of his actions as a member of the Federal Power Commission. The issue is whether his whole record is such as to lead us to believe that he will serve the Nation well as a member of the Federal Power Commission. I believe that he has provided us with the answer to that question beyond any reasonable doubt during his two terms on the Commission where he has labored diligently in the service of all the people and has earnestly sought to protect the public against the narrow interests of special groups.

I feel sure that you will agree with me that the nomination of Leland Olds should be confirmed. I hope that you will call this letter to the attention of your Committee and, in view of the great importance of this matter, I am sending a copy of this letter to the Vice President with the request that he bring it to the attention of the Senate.

Very sincerely yours,

HARRY S. TRUMAN

[The Honorable Edwin C. Johnson, Chairman, Interstate and Foreign Commerce Committee, United States Senate]

NOTE: The renomination of Leland Olds as a member of the Federal Power Commission was rejected by the Senate on October 12, 1949 (Congressional Record, vol. 95, p. 14357).

223 Remarks at an Officers Luncheon, Fort Bragg, North Carolina. *October* 4, 1949

General Hodge, General Gillem:

You fellows get ready now, this is a great whistlestop gadget!

It is a great pleasure for me to be here today. The last time I saw General Clark was in Chicago, when the Shriners were putting on a great performance for all of us. I had a very pleasant time with him there. The last time I saw General Gillem was down in Miami, Fla., where they say it never gets hot, but it was 100 in the shade and about 210 in the sun, and I had to change all my clothes when I got back on the plane after that appearance there, although we had a grand time in Miami. The last time I saw General Hodge, I think he was reporting to me about Korea. And Korea is still a problem. I hope we will get it settled.

I told the generals in command here today that I had been down here at Fort Bragg along in 1942 and 1943, to inspect the construction that was going on here, as chair-

man of the Senate Committee that made some investigations of the national defense program, and that I had gone up with a bunch of paratroopers and had asked the commanding general if it would be all right for me to jump out with the troops.

I have a witness right here who was present when that took place. And he will remember that the commanding general at that time told me that if I jumped out of that plane, he would be courtmartialed as soon as I got to the ground. I thought it wasn't right to have a major general courtmartialed, so I didn't jump out.

I have appreciated most highly all the things I have seen here today. This luncheon has been perfect—the food has been good, and more than Dr. Graham likes to see me eat, but he isn't here today.

I have enjoyed the music over there at the organ console. The gentleman has played the sort of music that I like, and I always like good music.

This review today was a wonderful one. I have seen some great reviews in my time. I have never seen a better one than this one.

The first review on anything like the scale of this one was at a little town in France called Commercy, and it was a review of the 35th Division by General Pershing. And I remember that I was in a battery of field artillery, at that time, on the left of the line; and General Pershing insisted on walking around every company and battery in the division. There were some 25,000 or 26,000 troops in the line, and by the time the General got to my battery, I was ankle-deep in water. I had on boots, thank God. I didn't get my feet wet. And it was 4 hours after he had started.

Then the review took place, and the Prince of Wales—afterwards Edward VIII—was with him. As we marched off the field, General Pershing and the Prince of Wales and his staff were crossing a little creek from me. Now, my battery was one that could have been taken to have come from Boston, it sounded as if you were calling the roll of the Ancient Order of Hibernians when the roll was called. And as we marched on the other side of the creek with the General and his staff, one of these disrespectful corporals, or sergeants, in the battery of mine yelled, "O, Capitaine, what did the little so and so say about freeing Ireland"? This was after he had made a speech to our division.

Well, I was in a very embarrassing position, because if Pershing had decided to hear that remark, I suppose I would have gone to Leavenworth and stayed there the rest of my life. He didn't hear it, thank goodness.

Well, the next review that I remember seeing that had anything likely to approach this one was at Fort Bliss, Tex., outside of El Paso, when about 13 Congressmen and Senators had been on a tour in 1939 to investigate the defenses of Panama and Central America, and all the rest of the points that needed defense in the United States.

I was a member of the Military Affairs Committee of the Senate at that time, and the Chairman of the Military Affairs Committee and myself took the review at Fort Bliss. It was a cavalry division, and we had been informed by the Congressman from that point—El Paso—that when we arrived there, we would find the place where the sunshine spent the winter. This was along in November, and when I got there, one of those famous Texas northers was blowing from the Rocky Mountains and it was about, I'd say, 5 or 10 degrees below freezing point. And we had just come from Panama, had nothing but summer coats, and I never came as near to freezing in my life as I did then. And I didn't enjoy that review very much.

But this review, as Charlie Ross said today, is the most impressive one I have seen for a long time.

You know, I have reviewed the Navy twice, and I have reviewed the Air Force twice, but the Army, being rather timid and remembering that I at one time was a battery commander in the Army, has always felt a little backward about asking me to look at a review for the Army. So I called up the Secretary of the Army and told him that I had reviewed every military setup in the country except the Army, and I would like to see an Army review just once.

Well, if you gentlemen were present and saw that review, you would have felt very proud of the Army. It was a wonderful review. Well put on, and well handled—from start to finish.

And I was particularly interested in Colonel Compton's explanation to me of the progress that has been made in the field instruments that are used when combat actually takes place on the ground. And I think the loudspeaker over there would go with this gadget right here. You can almost pick it up and put it in your pocket; and you can hear it for 2 miles. Maybe more. It took 31,700 miles for me to be completely heard, and I hope I will never have to do that again.

I want to say to all of you that it has been a most pleasant day for me. I want to compliment all the people who had a hand in today's entertainment, in the review which has taken place, and in the part which we are due to see this afternoon. I know all of you have worked arduously to be sure that the President sees what he ought to see, and I appreciate that more than I can tell you.

I am going back to Washington in a very happy frame of mind, and I hope when the Navy and the Air Force get all their troubles settled, that the Army, as usual will go along.

NOTE: The President spoke at 1:40 p.m. In his remarks the President referred to Lt. Gen. John C. Hodge, commanding officer at Fort Bragg; Maj. Gen. Alvan C. Gillem, Jr., commanding general, 3d Army, Fort McPherson, Ga.; Gen. Mark W. Clark, commanding general, 6th Army, Presidio of San Francisco, Calif.; and Brig. Gen. Wallace H. Graham, White House Physician.

The 31,700 miles referred to by the President is the mileage that he covered during his campaign trips in 1948. Between June 3 and November 5, 1948, the President traveled 31,739 miles.

224 Letter to John L. Sullivan Accepting the Honorary Chairmanship of National Brotherhood Week. *October* 5, 1949

Dear John:

Respect for human dignity is the central issue in the world struggle today.

America is dedicated to the conviction that all people are entitled by the gift of God to equal rights and freedoms even though they may differ in religious persuasion, in social and political views or in racial origin. Our greatness is and will be measured by the degree of our recognition of this fundamental truth.

Millions of people in our world are living in slavery. They are subject to the iron rule of despots who make the state supreme and who constantly violate God-given human rights. Free people everywhere are horrified to witness the subjugation of their fellow human beings by the totalitarian states. No

group is being spared. Protestants, Jews, Catholics and Orthodox are being crushed into submission. Statesmen of democratic spirit and writers, teachers, and scientists of independent mind are being destroyed. The conscience of the free world is appalled by their shocking martyrdom.

At such a time our people, with others of like devotion to freedom and human dignity, must demonstrate a greater measure of fraternity and unity than ever before. There probably has never been a time in history when true brotherhood was so indispensable to the welfare of our own nation and to the peace and freedom of the entire world.

It is for these reasons that I am happy to accept the Honorary Chairmanship of Brotherhood Week 1950. I urge all Americans to ponder well the true meaning of brotherhood and I hope that all citizens will join with you as General Chairman and with the National Conference of Christians and Jews to help make justice, amity and understanding the daily practice of our nation.

It seems to me that Americans can make no greater contribution to all mankind than to stand united, without a state imposed uniformity, for the achievement of that peace and freedom for which all people everywhere pray.

Very sincerely yours,

HARRY S. TRUMAN

[The Honorable John L. Sullivan, General Chairman, Brotherhood Week, National Conference of Christians and Jews, New York, N.Y.]

225 Statement by the President Upon Signing the Mutual Defense Assistance Act. *October* 6, 1949

I HAVE just signed the Mutual Defense Assistance Act of 1949. This is a notable contribution to the collective security of the free nations of the world. It is one of the many steps we are taking with other free peoples to strengthen our common defense in furtherance of the principles of international peace and order enshrined in the Charter of the United Nations.

The dominant objective of our foreign policy is to create peaceful and stable conditions throughout the world, so that men may lead happier and more fruitful lives. This objective cannot, however, be achieved if the economic efforts of free men are overshadowed by the fear of aggression. By strengthening the common defense this act will do much to allay that fear. The security which this act offers will aid in promoting the economic welfare of the free nations and in restoring their confidence in a peaceful and prosperous future.

Since the ratification of the North Atlantic Treaty, the countries of the North Atlantic community have made considerable progress in working together for their mutual security. Their combined activity will do much to increase the effectiveness of the assistance to be provided under this act. Further progress in these arrangements for the common defense will make it possible to provide the full measure of protection which this act offers to this country and other nations.

Recent developments in the field of armaments have strengthened the free nations in their adherence to the principle of a common defense—the principle that underlies this act. By emphasizing the common determination of free nations to protect themselves against the threat or fear of aggression, the

Mutual Defense Assistance Act will strengthen the peace of the world.

This act is necessary only because of the unsettled conditions of the world today which we, in concert with many other nations, are striving to overcome. It is my belief that we shall be successful in these efforts to achieve international understanding and to establish, in accordance with our national policy, effective international control and reduction of armaments, through the United Nations.

NOTE: The Mutual Defense Assistance Act of 1949 is Public Law 329 (63 Stat. 714).

See also Items 68, 75, 162, and 188.

226 The President's News Conference of *October* 6, 1949

THE PRESIDENT. [1.] This happens to be the 200th press conference that has been held since I have been President, in the course of 234 weeks, I believe. And I have no special announcements to make to you this morning.

[2.] Q. Mr. President, I have been asked to ask you if you would name any of the special interests that you have referred to sometimes in some of your recent speeches?

THE PRESIDENT. When it becomes necessary for me to name them, I will.

[3.] Q. Mr. President, does the Army plan for integration of Negro personnel to meet the requirements of your Executive order on equality of treatment and opportunity in the armed services?

THE PRESIDENT. The last report of the Secretary of Defense was a progress report. There will be continuing recommendations from the committee which I appointed. Eventually we will reach, I hope, what we contemplated in the beginning. You can't do it all at once. The progress report was a good report, and it isn't finished yet.

Q. Mr. President, is your eventual goal integration of the races in the Army?

THE PRESIDENT. Yes.

[4.] Q. Mr. President, the Defense Secretary some time back ordered an economy wave in his department. I believe you said at the time that he was carrying out White House instructions. I am wondering if you have ordered any economy wave in any of the other departments?

THE PRESIDENT. The economy wave, if you remember, was for the Department of Defense, and that covered all the departments in the Department of Defense, and it covers every other department in the Government. I think, if you will make an investigation, you will find that the Department of Agriculture has been cut down immensely since its wartime effort, as has every other department of the Government. Some day I will give you some figures on that that will startle you a little bit. The economy wave is always carried out by the Executive. The rest of the people talk about it.

[5.] Q. Mr. President, two members of the Cabinet yesterday warned of the effect of the coal and steel strikes on the economy. When do you plan to step into that situation?

THE PRESIDENT. Those warnings were well-timed and were necessary. The program has not reached the point yet where it is necessary for me to intervene.

[6.] Q. Mr. President, has the progress for synthetic fuels recently had your personal attention?

THE PRESIDENT. Yes, it has.

Q. In what connection?

THE PRESIDENT. In connection with the shale deposits in Utah, and things of that sort. I think there was an experiment—I know there was an experiment going on down here in Virginia—on coal being made into liquid fuel.

[7.] Q. Mr. President, I notice Mr. Boyle sent a message out to all State chairmen for them to get behind Senators to confirm Leland Olds. Is that a new departure in politics? I don't remember a national chairman putting the heat on Senators and Representatives.

THE PRESIDENT. I remember it very distinctly. It was customary when Jim Farley was chairman. I had the heat put on me by Jim. [*Laughter*] It is customary, and it is proper, and it should be done, and Bill Boyle is doing it because I asked him to.

Q. Isn't the only difference that Mr. Boyle is doing it publicly and it used to be done without any publicity?

THE PRESIDENT. It wasn't done so privately, as I remember it very distinctly. It was advertised to high heaven. They tried to get me to vote against Pat Harrison for leader of the Senate. I voted for Mr. Harrison. I was asked to vote for Mr. Barkley. I had nothing against Mr. Barkley, but I had promised Mr. Harrison, and I voted for him, but the heat was very well put on. Not anything wrong, and it should be done. If we are going to have party discipline in this country, then we must run our two-party system with party responsibility.

Q. Isn't that lobbying?

THE PRESIDENT. I beg your pardon?

Q. Isn't that the same as lobbying?

THE PRESIDENT. No, not necessarily. You have got to have party discipline, if you are going to transact the business of the Government. One of the things that you gentlemen do sometimes is to point the finger of shame at a fellow when he's loyal to his party; and it isn't the right thing to do. A man is elected on a party platform, and he ought to carry out what the party promises to do.

Q. Mr. President, does your remark on discipline apply to the Senators who voted against Mr. Olds?

THE PRESIDENT. That is a question I can't answer at the present time.

Q. Mr. President, do you expect them to be more in line than you were in the case of Pat Harrison? [*Laughter*]

THE PRESIDENT. That's a good question. I was not informed that it was a party matter when the thing came up. If I had been informed in time, I would have stayed with the party, and besides that, it was a Democratic fight in the beginning. That was not a party matter at all.

[8.] Q. Mr. President, you referred in the statement about 10 days ago, to evidence of an atomic explosion in Russia. Have you, since that time, received any further evidence or details of that explosion?

THE PRESIDENT. I made all the statement that I intend to make, on the subject, in that statement that was made on the 23d of September.[1]

[9.] Q. Mr. President, is there anything you can say about Captain Crommelin's statement that he distributed Navy letters?

THE PRESIDENT. That's a matter for the Secretary of the Navy to handle.[2]

Q. Did you discuss it with the Secretary of the Navy yesterday, Mr. President?

[1] See Item 216.

[2] On October 6, Francis P. Matthews, Secretary of the Navy, suspended Capt. John G. Crommelin, Jr., from duty and ordered him to be confined to the city of Washington preparatory to a court-martial. This order was later rescinded, and Captain Crommelin was returned to duty on November 8, after receiving a letter of reprimand from Adm. Forrest P. Sherman, the new Chief of Naval Operations.

THE PRESIDENT. I did.

Q. Did you make those recommendations to the Secretary?

THE PRESIDENT. The Secretary of the Navy was instructed to handle the matter.

[10.] Q. I notice that Senator Gillette is on your appointment list this morning?

THE PRESIDENT. Yes. Senator Gillette and I have always been friends. I don't know what the Senator wants, but I will talk to him about anything he wants to talk to me about. Something, I imagine, that affects the State of Iowa.

Q. Like a judgeship, Mr. President?

THE PRESIDENT. Could be. [*Laughter*]

[11.] Q. Mr. President, which is the Democratic Party's position on the farm bill, Barkley's or Senator Lucas's? [3]

THE PRESIDENT. Read my message on it, and you will find exactly what the party program is on the farm bill. All you have to do is read the message, and you will get all the information.

[12.] Q. Mr. President, is there anything yet on the SEC vacancy?

THE PRESIDENT. No. No, I will let you know after I make the appointment.[4]

[13.] Q. Mr. President, do you think it is possible, in view of the atomic thing, to reach an agreement with Russia any more than it was before the atomic——

THE PRESIDENT. I can't answer a question like that. I don't know. We have made the most important proposition in the history of the world with regard to that atomic situation, and the Russians didn't see fit to accept our proposition.

[14.] Q. Mr. President, did you order the Justice Department investigation of interstate crime—big crime syndicates?

THE PRESIDENT. The Justice Department has a standing order to that effect. I haven't made any special order on the subject.

Q. Nothing as a result of Mayor Morrison's statement—the New Orleans mayor's statement? [5]

THE PRESIDENT. No. No, no. I didn't know he had made any.

[15.] Q. Mr. President, getting back to Olds, do you still hope that he will be confirmed?

THE PRESIDENT. I hope that he will be confirmed. That's the reason I am doing all I can to get him confirmed.

[16.] Q. Would you include the oil and gas interests as one of the special interests to whom you referred——

THE PRESIDENT. Well now, you will have to make up your own mind on that. You are an excellent reporter for the St. Louis Post-Dispatch, and you ought to know. [*Laughter*]

Q. *Thank* you, Mr. President!

[17.] Q. Mr. President, do you have a chairman of the Munitions Board yet?

THE PRESIDENT. No. I will announce him just as soon as I can. We are trying to get one.

[18.] Q. Mr. President, is there anything you can say to us on the occasion of your 200th press conference, as to your thoughts on the institution of a press conference?

[3] The disagreement on the farm program between Vice President Barkley and Senate Majority Leader Scott Lucas centered around the amendment to S. 2522, introduced in the Senate on September 26 by Senators Milton R. Young of North Dakota and Richard B. Russell of Georgia. The amendment would require 90 percent of parity supports for basic crops for which marketing quotas or acreage allotments were in effect. In a tie breaking vote on October 4 the Vice President supported the amendment, whereas the Majority Leader opposed it.

[4] On October 12, 1949, the nominations of Edward T. McCormick and Donald C. Cook to be members of the Security and Exchange Commission were sent to the Senate.

[5] According to newspaper reports, Mayor deLesseps S. Morrison of New Orleans had recently presented a report on crime to a meeting of the American Municipal Association in Chicago.

THE PRESIDENT. Well, I like it. I like press conferences. I always try to answer your questions straight from the shoulder, try to tell you the truth, and when I can't answer them, I don't answer them.

Q. Do you become a little annoyed with us at times?

THE PRESIDENT. Well, I never get annoyed with you. I get annoyed with your bosses, sometimes. [*Laughter*] I think most of you try your best to be entirely fair. I have never had any reason to quarrel with you.

[19.] Q. Did you read what Mrs. Eleanor Roosevelt said yesterday about the Navajos and Hopis? She hopes very much they won't be made citizens of the State of New Mexico?

THE PRESIDENT. I am sorry, I didn't get to read Mrs. Roosevelt.

Q. She wants you not to sign that bill.[6]

THE PRESIDENT. I don't think anybody knows what will be in that bill until it gets here. It hasn't passed yet.

Q. Yes sir—yes sir.

THE PRESIDENT. Well, I think it's in conference. I don't think so.

Q. That's true—it *is* in conference.

THE PRESIDENT. I don't think it is proper for me to have anything to say about it.

[20.] Q. Mr. President, has it been decided yet when and if you will go up to New York City?

THE PRESIDENT. No, it has not. Mr. Fitzpatrick covered that, I think.[7]

Q. I didn't understand your answer, sir?

THE PRESIDENT. I said there have been no arrangements made.

[21.] Q. Mr. President, you referred to the most important proposition in the history of the world with reference to atomic energy——

THE PRESIDENT. Yes, the proposal of the United States to turn over to the United Nations the atomic control of the world. No other nation in the history of the world, with the most terrible weapon in its possession, has ever been known to do anything of that sort.

[22.] Q. Mr. President, there is a report that Russia is about to come up with some new proposal for disarmament. Would you look forward to hearing what that is?

THE PRESIDENT. Not necessarily.

Q. It will make no change?

THE PRESIDENT. Any number of proposals that couldn't be accepted, and this will probably be in the same class.

Q. No change in ours?

THE PRESIDENT. No.

Q. If we don't get an agreement with Russia, is it possible for an arms race in this thing?

THE PRESIDENT. I hope there won't have to be an arms race. I still have hopes that we will get the United Nations in the position where it will control such things as that.

Reporter: Thank you, sir.

NOTE: President Truman's two hundredth news conference was held in his office at the White House at 10:30 a.m. on Thursday, October 6, 1949.

[6] See Item 233.

[7] Paul E. Fitzpatrick, New York State Democratic Chairman.

227 Remarks of Welcome to Prime Minister Nehru of India at the Washington National Airport. *October* 11, 1949

Mr. Prime Minister:

I am very happy to welcome you to this country on behalf of the Government and the people of the United States. I greet you not only as the chief minister of your government, but also as the loved and respected leader of a great nation of free people.

Destiny willed it that our country should have been discovered in the search for a new route to yours. I hope your visit, too, will be in a sense a discovery of the United States of America.

I extend to you the hospitality and good will of the people of the United States, with the hope that your visit among us will leave you with the firm conviction that we are indeed your warm friends.

NOTE: Prime Minister Jawaharlal Nehru arrived at Washington National Airport at 4:30 p.m. and was received with a 19-gun salute and a formal military reception. Prime Minister Nehru responded as follows:

Mr. President:

I am deeply grateful to you for your warm words of welcome.

At this moment, when for the first time I am setting foot on the soil of this great country, it is of great significance for me, because it brings about the fulfillment of a long-felt desire.

I come to you, Mr. President, bringing to you and to this great Republic the cordial greetings of my government and my people of the new republic-to-be of India; and I trust that these two republics of the Western World and the Eastern World will find many ways of working together in friendly and fruitful cooperation to our mutual advantage, and for the good of humanity.

I thank you again, Mr. President, for your welcome.

228 Special Message to the Congress Upon Signing Bill To Raise the Pay of Certain Employees of the Veterans Administration. *October* 12, 1949

To the Congress of the United States:

I have today approved H.R. 6022, "to increase the rates of compensation of certain employees of the Department of Medicine and Surgery of the Veterans Administration, and for other purposes."

This legislation has been under consideration by the Congress concurrently with other legislation to revise the Classification Act of 1923. The revision of the Classification Act would establish new salary schedules for medical and nursing positions in other Government agencies which are comparable to the positions in the Veterans Administration covered by H.R. 6022.

It is desirable to revise the existing salary schedules for these positions both in the Veterans Administration and in other agencies. However, it now appears that the salaries to be provided for positions of this type under the revision of the Classification Act will be substantially lower, in some instances at least, than the salaries provided for comparable positions in the Veterans Administration under H.R. 6022. It would be most unfortunate if the final action on these related pieces of legislation should result in any such discrepancies. Consequently, I recommend that the Congress, in completing its action on the revision of the Classification Act, make the rates contained in that legislation applicable to the positions covered by

H.R. 6022, except for the position of Chief Medical Director of the Office of Medicine and Surgery of the Veterans Administration. This course of action is concurred in by the Administrator of Veterans Affairs and by the Civil Service Commission. I recommend its favorable consideration by the Congress.

HARRY S. TRUMAN

NOTE: As enacted, H.R. 6022 is Public Law 349 (63 Stat. 764).

229 Veto of Bill Providing for Federal Aid to State Fish Restoration and Management Projects. *October* 12, 1949

To the House of Representatives:

I return herewith, without my approval, H.R. 1746 "An act to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes".

This bill provides in effect for an annual continuing appropriation of all revenues derived from the tax imposed by section 3406 of the Internal Revenue Code on fishing rods, creels, reels and artificial lures, baits, and flies for the fiscal year ending June 30, 1947, and each fiscal year thereafter. The revenues thus designated would, in effect, be apportioned among the states and territories for the promotion of approved fish restoration and management projects, and expended in accordance with policies of coordination prescribed by the Secretary of Interior.

Under the bill, the tax on fishing articles would be used exclusively for the promotion of recreational fishing. On the other hand, purchasers of numerous other articles of sporting equipment subject to tax under section 3406 would be taxed for the general support of Government functions.

It is believed that the "earmarking" of Federal tax revenues, as provided in the bill, constitutes undesirable tax and fiscal policy. The "earmarking" of tax collections amounts to preferential treatment of certain taxpayers and tends to weaken effective budgetary control of expenditures. Fishing equipment is but one of thousands of articles subject to Federal excise tax, the revenues from which are now deposited in the general funds of the United States and available for general governmental purposes. If the revenue from the sale of fishing equipment is to be diverted to the particular benefit of those who have paid the tax, similar demands can be made on behalf of other industries and activities affected by the tax. The Government's need for unrestricted funds does not permit such diversion of tax revenues.

The bill would provide a permanent indefinite appropriation contrary to the policy of Congress incorporated in the Permanent Appropriation Repeal Act, 1934, approved June 26, 1934. Whether or not the amount thus devoted to the program would be sufficient at the present time, fluctuations in revenues or changes in the needs of the program may make the "earmarked" appropriation either inadequate, in which case the program will fail of its intended purpose, or excessive, resulting in waste of Government funds. Prudent expenditure policy would indicate that the amount of funds to be expended should be subject to continuous budgetary and legislative appraisal.

The bill also has serious administrative deficiencies. The funds appropriated thereunder include not only the tax revenues to be collected subsequent to enactment of the Act, but also an amount equivalent to such tax revenues for fiscal years ending in 1947, 1948 and 1949. Inasmuch, however, as manufacturers now report only the total amount of tax on sporting goods under section 3406 without any breakdown showing the amount of tax due with respect to fishing equipment, it is impossible to ascertain the amount of tax collected on the items named in the bill for any particular period up to the present time.

Conceding the desirability of Federal and State cooperation in the development of fish restoration projects, it is believed that whatever funds are required to achieve such purposes should be provided by annual appropriation, rather than by the arbitrary method prescribed in this bill.

I have noted that H.R. 1746 follows the undesirable precedent created by the Act of September 2, 1937 (16 U.S.C. 669–669j) which earmarked taxes on firearms, shells, and cartridges for wildlife restoration purposes. The present bill, however, is more objectionable than its predecessor in several respects. Unlike the 1937 Act, it is retroactive in application. Moreover, the 1937 Act earmarked revenues from a single taxing provision, whereas the present bill applies to only one among many items covered by the same taxing provision. Its enactment, therefore, would give particular impetus to the extension of the same unsound principle to other items in the same tax category, notably other types of sporting goods.

HARRY S. TRUMAN

230 Remarks at a Meeting With the Ambassadors to the Council of the Organization of American States. *October* 12, 1949

Gentlemen of the Council of American States:

Columbus Day provides a fitting opportunity for me to meet in a friendly and informal way with my distinguished neighbors, the Ambassadors on the Council of the Organization of American States. This Organization is an outstanding example of effective international cooperation. The United States Government supports it wholeheartedly. The success of the inter-American system should encourage the peoples of other parts of the world to persevere in their efforts to solve common problems by mutual trust and helpfulness.

We have demonstrated how much can be accomplished when nations temper their national aspirations with concern for the interests of all. This is evident in the work of the American Republics for economic and social development. With increasing emphasis, we are striving to make possible a better life not only for the people of today but for generations still unborn. Our desire for security, in fact, is not primarily in order that our lives may remain unchanged, but that we may progressively realize our vast possibilities.

It is this spirit which motivates the growing exchange of technical knowledge and skill that has been taking place among our countries. We look forward to an even more vigorous technical cooperation through all available channels, including the United

Nations and its specialized agencies. We intend increasingly to help one another in the efforts of each to help himself.

We look to the Organization of American States for support of programs to raise living standards and to foster balanced economic development throughout the hemisphere. And since material improvement would be sterile and useless without the cultural and intellectual growth, we should make every effort to intensify cultural and intellectual cooperation.

The Organization has a great responsibility for strengthening the peace and security of the Americas and for inducing governments to respect their freely accepted international obligations. In the inter-American system we subscribe fully to the principle of nonintervention in the affairs of any American republic. At the same time, we are definitely committed to the proposition that our solidarity and high aims are fostered by the exercise of representative democracy in the American States. I am confident that you will continue to provide inspiring leadership toward the achievement of these aims.

As for this Government, Secretary Acheson stated recently before the Pan American Society in New York that the good-neighbor policy is for us a firmly established national policy. I fully support the principles and objectives outlined by him on that occasion.

The United States is honored and happy to be the host country of the Organization of American States. We want you to feel most welcome and entirely at home among us as you continue your invaluable work in behalf of all the peoples of the American Republics.

NOTE: The President spoke in his office at the White House at 12 noon.

231 The President's News Conference of *October* 13, 1949

THE PRESIDENT. I have no special announcements for you today, but I will try to answer questions.

[1.] Q. Mr. President, are you considering seizure of the soft coal industry?

THE PRESIDENT. I am not.

[2.] Q. Mr. President, are you considering giving Mr. Olds a recess appointment?

THE PRESIDENT. I am not. We can't give a man a recess appointment when he is rejected by the Senate. Didn't you know that?

Q. It was done once, sir, I think.

THE PRESIDENT. I don't remember, if it was. Not since I have been in the Senate.

Q. Last week you told us this confirmation was a party matter. I wonder if you would go into the reasoning on that some more?

THE PRESIDENT. I don't think it is necessary, Tony.[1] You had plenty of columns written on it. [*Laughter*]

Q. Mr. President, I wonder if you could——

Q. We didn't hear that.

Q. Mr. President, what was that?

THE PRESIDENT. Hey—wait a minute—take your time. [*Laughter*]

Q. ——I wonder if you could tell us what you think of what the Senate did to Mr. Olds?

THE PRESIDENT. Well, they didn't get the last question. He asked me if I had any further comment to make on the political nature of the Olds appointment, and I said I had none to make.

[1] Anthony H. Leviero of the New York Times.

Q. Thank you, sir.

THE PRESIDENT. What did you say now, Smitty? [2]

Q. Generally, what do you think of what the Senate did to Mr. Olds?

THE PRESIDENT. I think it was a bad thing.

Q. Have you another nomination?

THE PRESIDENT. Not at present.

Q. Mr. President, to what do you attribute the turning down of the nomination?

THE PRESIDENT. I think the best thing you could do is to read the record. Why don't you read the speeches that were made, and then you can get all the reasons.

Q. We couldn't hear that?

THE PRESIDENT. The reason you can' t hear is because our big rug had to be taken to the cleaners. Somebody in this conference had spilled ink all over it and we couldn't get it out. That's the reason you can't hear. I will do the best I can.

Q. Mr. President, is this rejection of Olds on a par with the Mon Wallgren matter, or do you see a different picture?

THE PRESIDENT. Not the same. Not the same. The best way to find out about the situation is to read the record. Just read the Congressional Record for the day of the nonconfirmation and you will get all the facts.

Q. Mr. President, the reason is the power lobby——

THE PRESIDENT. I think you had better read the record.

[2.] Q. Mr. President, when are you going to name the six Washington Federal judgeships?

THE PRESIDENT. I hope I will be able to name them before Congress adjourns.

Q. Mr. President, does that go for New York?

THE PRESIDENT. I am trying to get ready on New York.

Q. On what, Mr. President?

THE PRESIDENT. I am trying to get ready on the New York judgeships. Somebody wanted to know when I was going to name the six Federal judgeships.

I said that I would like to get ready on it before Congress adjourns. The gentleman wanted to know if that goes for New York, and I said I am doing the best I can.

Q. And the District of Columbia?

THE PRESIDENT. The District of Columbia was the first question.

[3.] Q. Mr. President, you spoke of Congress adjourning. When do you think it will adjourn?

THE PRESIDENT. I am in no position to say when the Congress will adjourn. That is their privilege. When they come to the end of the business that they feel that they can transact, I am sure they will pass a resolution to adjourn.

[4.] Q. Are you impressed, sir, with the testimony of the naval officers [3] who have been——

THE PRESIDENT. I would rather not comment on that at this time.

Q. Mr. President, may I ask one more question?

THE PRESIDENT. Sure.

[5.] Q. Is there a possibility that Mon Wallgren will receive a recess appointment?

THE PRESIDENT. I can't comment on that.

[6.] Q. Mr. President, do you define the defense policy——

THE PRESIDENT. Of course I do. I defined it in the last budget.

[2] Merriman Smith of the United Press Associations.

[3] See "Hearings Before the Committee on Armed Services, House of Representatives, on the National Defense Program—Unification and Strategy" (Government Printing Office, 1949, 639 pp.). The hearings were held in Washington from October 6–21, 1949.

[7.] Q. Could you say, sir, whether the admirals and generals are now dictating our defense policy or is it up to the Commander in Chief and civilian Secretaries?

THE PRESIDENT. It is up to the Commander in Chief and the civilian Secretaries, on the advice of the Chiefs of Staff.

[8.] Q. On several occasions recently, sir, you have said that your own political philosophy and that of the administration is based on the Sermon on the Mount.

THE PRESIDENT. That's right.

Q. Would you care to expand, sir, on that theme and point out in what way——

THE PRESIDENT. My best advice to you is to turn to the fifth, sixth, and seventh chapters of the Gospel according to St. Matthew in the King James translation, and read it very carefully, and you will find out without any comment from me. [*Laughter*]

Q. Mr. President, some of us are not so familiar with the Bible. Is that the fifth, sixth, and seventh——

THE PRESIDENT. Fifth, sixth, and seventh chapters of the Gospel according to St. Matthew, the King James version. Read those three chapters—won't take you but 20 minutes.

Q. Mr. President, we can't hear.

THE PRESIDENT. The Sermon on the Mount—talking about the Sermon on the Mount and my political philosophy. I advised him to read the Sermon on the Mount.

Q. Do you agree with the Sermon on the Mount?

THE PRESIDENT. I do. I am in complete agreement with it.

[9.] Q. Mr. President, could you comment on the suggestion being made in a number of newspapers that you create a department of ethics with Cabinet rank against communistic atheism?

THE PRESIDENT. I don't know what you are talking about. I don't think ethics has anything to do with communism. I know the Communists have no ethics.

[10.] Q. Mr. President, could you say anything about your personal impressions of Prime Minister Nehru?

THE PRESIDENT. I think very highly of him. He made a very profound impression on me. I think he is a fine gentleman. I think he is earnestly trying to be a good public servant.

[11.] Q. Mr. President, when are you going to New York?

THE PRESIDENT. I beg your pardon?

Q. Have any arrangements yet been made to go to New York?

THE PRESIDENT. I am going there on the 24th to lay the cornerstone of the United Nations building.

Q. Mr. President, will you speak at that time for Mr. Lehman?

THE PRESIDENT. I am going to lay the cornerstone of the United Nations building. It will not be a political speech.

[12.] Q. Mr. President, do you plan to visit South Carolina after Congress goes home?

THE PRESIDENT. I have been considering it.

Q. How about Boston, Mr. President?

THE PRESIDENT. I have been considering that one, too.

Q. Which was that one, sir?

THE PRESIDENT. Boston.

[13.] Q. Mr. President, do you see any reason for changing the fundamentals of the American defense policy at this moment?

THE PRESIDENT. No, I do not.

[14.] Q. Mr. President, how long do you think the big steel strike and the coal strike will go on without some action by yourself?

THE PRESIDENT. Your guess is as good as mine.

Q. How long could it go, Mr. President, without any serious damage to the national economy?

THE PRESIDENT. Well, I say your guess is as

good as mine. We will have to wait until the time comes.

[15.] Q. Mr. President, it has been reported that you are opposed to flexible price supports in the Senate bill. Can you tell us what——

THE PRESIDENT. I have no comment to make on the pending bill. I will comment on it when it comes up to me for signature.

[16.] Q. Mr. President, this week we received this summary of the legislative program.[4] I wonder if you would comment on that?

THE PRESIDENT. No, I think that speaks for itself. That's the reason I handed it to you for your information. Of course, there will be a great many more public laws added to that, before the Congress adjourns.

I want you to understand that the reason I have to raise my voice is because those gentlemen can't hear, and not because I am exasperated. [*Laughter*]

[17.] Q. Going back to the New York situation, leaving aside the United Nations day, do you expect to make a political speech before election day up there, sir?

THE PRESIDENT. I am not anticipating it.

Q. The reports indicate you won't have to, Mr. President.

THE PRESIDENT. Yes, they say that we are in such a good fix up there, it won't be necessary. [*Laughter*]

[18.] Q. Mr. President, Admiral Denfeld said this afternoon that there was nothing wrong with unification except the administration of it?

THE PRESIDENT. I can't comment on that. I haven't read Admiral Denfeld's testimony, and I couldn't comment on it if I had read Admiral Denfeld's testimony.[5]

[19.] Q. Mr. President, the conferees on the military appropriations bill are locked up again this afternoon on the question of 58 air groups versus 48 air groups. How do you hope that is solved?

THE PRESIDENT. I told the Senators who called on me that I had asked for 48 air groups. That is what I wanted.

Q. Mr. President, Admirals Radford and Ofstie both have said that the Air Force plan for strategic atomic warfare is immoral.[6] Would you care to comment on that?

THE PRESIDENT. No comment.

Q. Mr. President, in that connection, Representatives Kennedy and Javits have asked some questions about being prepared in a civilian way for atomic warfare?

THE PRESIDENT. No comment.

Q. Mr. President, as one who knows something about the atomic bomb, would you—do you think you could escape without serious injury if you stood at one end of the National Airport if a bomb exploded at the other?

THE PRESIDENT. Well now, I have never been on the receiving end of one of those

[4] A detailed summary of the status of legislation relating to recommendations of the President, 81st Congress, 1st session, was released by the White House on October 10.

[5] Appearing before the House Armed Services Committee earlier in the day, Adm. Louis E. Denfeld, Chief of Naval Operations, asserted that Secretary of Defense Louis Johnson was proceeding against "the spirit and concept" of the unification law.

[6] Adm. Arthur W. Radford appeared before the House Armed Services Committee on October 7. In his statement he contended that the B–36 had been "a billion-dollar blunder," and that a war fought by the "atomic blitz" technique of saturation bombing would be "morally reprehensible" to the American people.

Rear Adm. Ralph A. Ofstie testified before the Committee on Ocotber 11. In his statement he said that "strategic air warfare, as practiced in the past and as proposed for the future, is militarily unsound and of limited effect, is morally wrong, and is decidedly harmful to the stability of a post-war world."

bombs, so I couldn't comment very well intelligently.

Q. Mr. President, could you tell us which end of the airport to stand on? [*Laughter*]

THE PRESIDENT. I couldn't.

[20.] Q. Mr. President, I want to take up this coal business just once more?

THE PRESIDENT. Shoot.

Q. Do you have any authority now for seizure, or have you investigated?

THE PRESIDENT. That is a matter that will have to be investigated, if it becomes necessary. I can't answer that question offhand.

[21.] Q. Mr. President, do you approve the Senate committee's ending its five percent investigation?

THE PRESIDENT. I don't think they ever had an intelligent investigation, so there was no sense continuing it.

[22.] Q. Mr. President, it was announced a few hours ago that you would see Prime Minister Nehru this afternoon?

THE PRESIDENT. He is coming in to pay an official call on me, as every visiting head of a state does when he goes to leave the town.

Q. No specific subject?

THE PRESIDENT. No specific subject.

[23.] Q. Mr. President, I have one more of these questions on the Navajos and Hopis,[7] I guess that is—the Indian aid bill. Has that reached you yet?

THE PRESIDENT. I have no comment on it. I don't know what it contains. It will come up to me before long, and then I will comment on it, if it is necessary.

[24.] Q. Mr. President, I would like to make another stab at the farm bill question?

THE PRESIDENT. Shoot.

Q. Do you think it is possible for the conference committee to make legislation out of the Gore bill or the Anderson bill?

THE PRESIDENT. It is my opinion that the conference committee can write an acceptable bill. It may not be exactly what anybody wants, but that is the reason they have the conference.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's two hundred and first news conference was held in his office at the White House at 4 p.m. on Thursday, October 13, 1949.

[7] See Item 233.

232 Veto of Bill Relating to the Development of the Fish, Wildlife, and Recreational Aspects of the Colorado-Big Thompson Federal Reclamation Project. *October* 14, 1949

To the House of Representatives:

I am returning without my approval H.R. 5134, "To promote development in cooperation with the State of Colorado of the fish, wildlife, and recreational aspects of the Colorado-Big Thompson Federal reclamation project."

This bill is intended to provide for the planning, construction and operation of fish, wildlife, game and recreational facilities in connection with the Colorado-Big Thompson project. To this end, it includes several major provisions. It would authorize the Secretary of the Interior to plan joint programs under cooperative agreements with State, Federal, municipal or local agencies, and to advance funds to such agencies in connection with the planning or execution of these programs. It would also authorize the Secretary to construct, operate and maintain fish, wildlife, game, public park and recreational facilities, including the purchase of

land or other rights or property where necessary. The bill would direct the Secretary to make non-reimbursable allocations of such portion of the construction costs of the Colorado-Big Thompson project, heretofore or hereafter incurred, as in his judgment represents the cost of fish, wildlife, game and recreational development. The bill provides that in the event the Secretary, the interested State agencies, and the local interests were unable to agree on any of the major features of any plan or program proposed by the Secretary under this bill, the matter would have to be referred to the Congress and the proposed work could not proceed, except on approval by an Act of Congress. Finally, the bill would authorize the appropriation of not to exceed $100,000 to carry out its provisions.

I am unable to approve this bill because of two major objections. First, this bill would establish, for this one project only, certain policies which represent an important departure from present national law, but which have not been studied sufficiently to know whether or not they form a desirable basis for a new national policy.

I am particularly concerned about the recreation features of this bill. Almost all multiple-purpose projects for developing our water resources present opportunities to realize valuable recreational benefits, especially where large reservoir-lakes are created. Those recreational benefits should clearly be realized, for the benefit of the people who live nearby and those who may visit. But there are serious questions of national policy which must be answered before such recreational development can proceed on a sound basis.

For example, are the benefits of such recreational development, in connection with reclamation projects or flood-control projects, of sufficient national importance to justify the investment of Federal funds, or should some or all of the costs be borne by State and local interests? This bill contains no policy guidance on these questions. They are, however, clearly matters of national policy which should be considered with respect to water-resources projects generally, before embarking on large-scale individual projects.

Another example of a major policy question raised by this bill which needs further study is what part, if any, of the construction cost of multiple-purpose water-control projects should be allocated to recreation. Until now, the basic laws have authorized the allocation of the costs of multiple-purpose projects to flood-control, navigation, irrigation, power, and municipal water supply, as appropriate in particular cases. In certain cases, where the development of facilities to protect fish and wildlife has been incidental to other work on a project or necessary to prevent damage to those resources, the law also authorizes the allocation of part of the cost of multiple-purpose projects to the preservation and propagation of fish and wildlife. The basic laws do not authorize the allocation of any part of joint project costs to recreation; in the few cases where recreation facilities have been built so far, they have been separately justified and financed. This bill, however, would require non-reimbursable allocations to recreation of part of the cost of joint features of the Colorado-Big Thompson project. It would clearly be unwise to adopt such a policy in connection with this one project, before it has been decided whether adoption of such a general policy is in the national interest. Furthermore, if such a general policy is to be adopted, there should certainly be provision for careful standards to guide its application to particular cases—standards which are not provided for in this bill.

My second major objection to this bill is

that it contains certain specific features which it is clear without further study are unwise. One of these is the provision that State agencies and local interests could prevent the Secretary of the Interior from proceeding with any major action under the bill if they disagreed with him in any respect. It seems to me that this carries to an illogical extreme the desirable principle that State and local interests should participate in Federal programs for developing water resources. Surely it is possible to provide for adequate cooperation among Federal, State and local agencies without giving State and local agencies a complete veto over the administration of a Federal law by a Federal administrative officer.

Another specific provision of this bill which is objectionable is that it authorizes only $100,000 to be appropriated to carry out its provisions. The legislative history of the bill contains no explanation of this figure. It is such a small part of the probable total cost of the bill that it is relatively meaningless and certainly misleading. The Secretary of the Interior has estimated that the ultimate development costs for the purposes stated in the bill would be in the neighborhood of $2,000,000—and this figure does not appear to include any allocation of construction costs heretofore incurred in connection with irrigation and power features which, under this bill, would be re-allocated and written off as non-reimbursable. It does not seem to me to be appropriate, particularly in connection with a Federal public works project, to authorize extensive work to be done by the Government unless the full cost of that work is simultaneously understood and approved.

For these reasons, I believe that further study is required in both the Executive and Legislative Branches before we shall be in a position to establish sound, long-range policies for recreational development in connection with water-resources projects generally, and for the Colorado-Big Thompson project in particular. Consequently, I feel impelled to withhold my approval from this bill.

HARRY S. TRUMAN

233 Veto of Bill Establishing a Program in Aid of the Navajo and Hopi Indians. *October 17, 1949*

To the Senate of the United States:

I return herewith, without my approval, the enrolled bill (S. 1407) to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes.

The principal objective of this bill is the establishment of a ten-year program of capital and other improvements for the benefit and rehabilitation of the Navajo and Hopi Tribes of Indians. Appropriations would be authorized for this purpose totaling $88,570,000. Among the principal program goals specified and the amounts provided therefor would be: roads and trails, $20 million; school buildings and equipment, and other educational measures, $25 million; soil and water conservation and range improvement work, $10 million; and completion and extension of existing irrigation projects, and completion of the investigation to determine the feasibility of the proposed San Juan-Shiprock irrigation project, $9 million.

I have withheld my approval with reluctance and only after the most careful consideration of all the provisions of S. 1407. The bill contains many meritorious features.

In fact, its only objectionable provisions are those of section 9 which, with some qualifications, extend State civil and criminal laws and court jurisdiction to the Navajo-Hopi reservations which are now under Federal and Tribal laws and courts. Section 9 is heavily weighted with possibilities of grave injury to the very people who are intended to be the beneficiaries of the bill. Its many and serious defects outweigh, in my judgment, the merits of the rest of the bill.

In the first place, the meaning of section 9 is obscure. While it seeks to subject the Navajo and Hopi Indians to the civil and criminal laws of the States where their reservations are situated, in certain circumstances and under certain conditions, the details of these circumstances and conditions cannot be determined, with any assurance of legal correctness, from the language of section 9. For example, the right to inherit personal property, such as cattle, sheep, tools and utensils, is a matter of vital concern to the Navajo and Hopi Indians, as it is to other human beings. The descent of this property upon death is a matter which is now governed by their tribal practices and customs. Section 9 might be construed as abrogating these practices and customs at one fell swoop and imposing upon these Indians a system governing the descent and distribution of personal property which they neither want nor understand. Another matter of vital concern to the Navajo and Hopi Indians is their water rights, since they live in an arid country where water is the most precious of all natural resources. The jurisdiction to adjudicate, protect and enforce these water rights is now vested in the Federal courts where Indian rights are assured of full protection. Section 9 might be construed as transferring plenary power over Indian water rights to the State courts where there is much less assurance of protection for Indian rights, or it might be construed as leaving the existing Federal jurisdiction substantially unimpaired. These two illustrations are far from exhaustive, but they reveal quite plainly that the bill contains serious threats to the basic rights of these Indians, and at best would create a series of legal tangles which only years of expensive litigation could unravel. In the interim, many valuable interests might be lost and much irreparable injury suffered by the Navajo and Hopi peoples.

A second major objection to section 9 is that its avowed purpose of accomplishing a broad-scale extension of State laws to the Navajo and Hopi reservations is in conflict with one of the fundamental principles of Indian law accepted by our Nation, namely, the principle of respect for tribal self-determination in matters of local government. The Congress and the Executive Branch have repeatedly recognized that so long as Indian communities wished to maintain, and were prepared to maintain, their own political and social institutions, they should not be forced to do otherwise. One of the most liberal self-government clauses ever written for an Indian tribe appears in section 6 of the enrolled bill. That section declares that the Navajo people shall have "the right to adopt a tribal constitution", which "may provide for the exercise by the Navajo Tribe of any powers vested in the tribe or any organ thereof by existing law, together with such additional powers as the members of the tribe may, with the approval of the Secretary of the Interior, deem proper to include therein", and which "shall authorize the fullest possible participation of the Navajos in the administration of their affairs". It would be inconsistent to enact into law section 9 concurrently with section 6. If either is to be accepted as meaning what it says, the other must be viewed as mainly rhetoric.

Statutes have, of course, been enacted from time to time extending State criminal or civil laws to particular Indian communities. Primarily, these statutes dealt with comparatively small groups, the members of which through long association with neighboring whites, had reached the stage where they were prepared to and wished to be governed by State and local law. The Navajo and Hopi Tribes are not in this category. They are, indeed, the Indians who are probably least prepared for such a major change.

Ultimate acceptance of State jurisdiction is a logical consequence of our policy of assisting the Indians to develop their natural talents and physical resources in ways that will enable them to participate fully in our free, but vigorously competitive, society. In the long run, this process of adjustment to our culture can be expected to result in the complete merger of all Indian groups into the general body of our population. Yet the desirability of this result is no reason for compelling the Navajos and Hopis to accept legal integration long before they have been prepared for such a consequence through the orderly course of social and economic integration. Premature steps for tribal dissolution have invariably revealed that the process of cultural adjustment cannot be hastened, and may be retarded, by attempts at legal compulsion. For many years more, the lives of the Navajo and Hopi peoples will continue to be governed by the isolation of the country where they live, the facts that four-fifths of them cannot speak English and that the majority of their children have never been to school, the primitive background of their social concepts, the limitations of their economic resources, and other circumstances which tend to make their tribal governments a necessary instrument for their continued progress in civilization. It would be unjust and unwise to compel them to abide by State laws written to fill other needs than theirs.

In reaching my decision to veto S. 1407, I have been greatly influenced by the attitude of the Navajo Indians toward the bill. The Navajo Tribe includes about 65,000 of the approximately 70,000 Indians affected by S. 1407. They greatly favor the long-range rehabilitation program which the bill proposes. But much as they favor the constructive provisions of the bill, they fear section 9 more. This is indicated by the fact that at a meeting held on October 13, 1949, after final Congressional action on the bill, the Navajo Tribal Council, the Tribe's governing body, adopted a resolution urging that I veto S. 1407.

In withholding approval from S. 1407, I am glad to note that the principal feature of that measure, the ten-year program of capital improvements provided for in section 1, can be put into effect through normal appropriation procedures. Expenditures for substantially all of the purposes listed in section 1 are authorized by existing laws relating to Indian affairs. The purpose in proposing a special authorization for the ten-year program was to afford the Congress an opportunity to review that program as a whole before appropriation estimates were submitted for the individual items. The Congress, by its action on S. 1407, has now manifested its view that the capital improvements in question should be undertaken at once and prosecuted speedily to completion. Accordingly, I plan to include in the budget for the fiscal year 1951, appropriation estimates that will provide for initiation of the ten-year program. Since statutory authorization for almost all of these items already exists, the failure of S. 1407 to become law will not interpose a legal bar to the appropriation of the necessary funds, although it will result in the loss of some incidental features of S. 1407 that would have been of value

to the Indians. I would, of course, be glad to approve a bill that incorporated these features and the other provisions of S. 1407, without the objectionable provisions of section 9, should the Congress see fit to pass such a measure.

HARRY S. TRUMAN

234 The President's Special Conference With the Association of Radio News Analysts. *October* 19, 1949

THE PRESIDENT. Well, gentlemen, it is nice to have you here, as usual. I don't know of anything I can tell you that will be of interest. There isn't a single one of you who doesn't know more about what's going on than I do. [*Laughter*]

William Hillman (a vice president of the Association): Mr. President, may I say, first, that it is understood that everything is completely off the record. You are not to be quoted, nor anything to be attributed to you, nor any information passed on to any colleague of the organization.

THE PRESIDENT. I appreciate that.

Mr. Hillman: So you can speak freely.

THE PRESIDENT. Well, I just—as usual, I am happy to have you here and have this talk with you. I haven't anything particular to say to you. I am waiting hopefully for the adjournment of the Congress to see what can be said, and I suppose you are in the same frame of mind, in all probability, for experience is the teacher about what has gone on down here. I will probably myself have a statement to make when it's over. But as to anything of particular interest, I just don't know anything, Bill.

[1.] Q. Mr. President, could I interrupt——

THE PRESIDENT. Sure.

Q. ——to ask you if you would possibly say something about the rivalry between the services that——

THE PRESIDENT. There isn't anything to it. It's just like a family where there are two children, one 3 or 4 years older than the other, the older baby always fights the younger. That's what this is. You usually straighten that out so that it doesn't stay that way for long. It's a matter of adjustment to a situation, a situation that I have been working on ever since I have been old enough to understand what defense is.

I organized the first Reserve association in the United States, and it was made up of Army and Navy and Air Force, and ground forces—with the Marines split off; but it was a start in that direction.

After this war was over, I called on every field commander in the world under our command, to give me his viewpoint on a defense program. Every one of them is on record—including Halsey and two or three of these fellows that testified up there—for the program that is now in effect.

Q. You mean the current program is basically the one that was recommended?

THE PRESIDENT. Basically the one which everybody had agreed was the best approach to the thing in every case. The field commanders in Europe and in the Pacific were in complete control of all the military things that make up the attack. It is necessary in peacetime to train and act as a team. Nobody wants to take the air arm from the Navy. It is necessary that they have fighter aircraft protection all the time. I don't think it is necessary for the Navy to go into the heavy bombing business. And there will just have to be observation planes necessary

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for field artillery observation. I am a field artillery man, and I know it. The Air Force has to have people on the ground to see that the planes are serviced, to see that this one is maintained, and in all the places where these planes come from.

You can't separate, actually, the services from each other. Each is a part of the other. But there are certain fundamental things which have to be directed as a whole—the air, ground, and water—that's all there is to it. It's as simple as that.

Q. Do you put any credence in the current reports of the anonymous document attributed to General Collins, which would take away the amphibious operational and tactical duties of the Marine Corps and invest them in the Army?

THE PRESIDENT. If you remember, one time President Hoover was on the point of signing an order merging the ground forces. That was when General Pershing was Chief of Staff. But it didn't work. It didn't quite get done.

[2.] Q. Mr. President, apart from Dr. Nourse's words about deficit financing, can you say——

THE PRESIDENT. I don't think—if you will be patient with me—I am very certain that Dr. Nourse didn't know what he was talking about. Although he is an economist, he knows absolutely nothing about Government financing.[1] I think I made a broadcast here not long ago in which I set out what a Federal budget is, and the whys and wherefores of it.

Our present financial condition was brought about by that rich man's tax bill I have given so much hell about and vetoed three times and I talked about all over the country. That's the resaon for our present condition. It is not brought about by spending. No spending has been going on except for the cold war. That costs us about—I should say $3 or $4 billion. If it hadn't been for that, we would have had a defense cost of only $11 billion.

I tried to get it up to 14.40 this year, and Congress made it 15.5—about a hundred million more than I asked for—but that will straighten out. I will explain that, one of these days, when I get around to it. It is not a case for deficit financing at all. It is a case of meeting obligations that the Government owes. The deficit was brought about by returning refunds to the people who needed them the least. That's what the difficulty is.

[3.] Q. I take it, Mr. President, that you are interested in the economic effects of the labor difficulties that we are having now?

THE PRESIDENT. Very much so—very much so—very much so. That is one of the most dangerous things we can have.

Q. Would you care to say anything about the economic outlook ahead?

THE PRESIDENT. Well, I can't say what I would say, under the circumstances, until these strikes are settled.

I was talking to one of the biggest manufacturers in town yesterday, and his sales up to September 30th are the greatest in their history—greater than in 1948—taken $30 million off the cost of that merchandise to the public. I am trying to work this thing out.

Q. Mr. President, there have been rumors in the papers that the effects of the strike might bring on a crisis, and that you may act in the event a crisis assumed major proportions by seizing the steel——

THE PRESIDENT. I heard, a long time ago, that my theory of government was to get as much power in the hands of the President as

[1] On the same day the White House released the text of the President's letter accepting the resignation of Dr. Edwin G. Nourse as Chairman of the Council of Economic Advisers.

possible. I have been trying to get rid of all those wartime powers with which I have been vested. I have been trying to get these gentlemen to sit around a table and bargain—what they call collective bargaining—a peacetime procedure.

Now, if the attempt is to throw the thing back into a wartime situation, I will certainly have to have the power to act. And whether I have that power or not—you see, the 80th Congress repealed a lot of laws that could have been used in an emergency; and I can't answer that question.

[4.] Q. Mr. President, there's a lot of interest in the United Nations on the atomic question, as a result of your announcement about the Russians. I was wondering if you could give us any idea as to the way your thinking is going? There seem to be two ways of going at it in the General Assembly. One might be that the United States would agree not to use the bomb except on authorization of the Security Council, without the veto, and of course that will be on the——

THE PRESIDENT. Don't you think it probable Russia would veto that?

Q. It wouldn't be subject to the veto.

THE PRESIDENT. The Russians would veto it before we had a chance to use it. They would bring one over here, and use it. What are you going to do about that?

Q. No—but a vote would be taken. Another was the possible change in our proposals for international control.

THE PRESIDENT. How would we change that?

Q. Well, I am asking you, sir?

THE PRESIDENT. How would you change that? We made the best proposition that has ever been made in the history of the world. No nation in the history of the world has ever done what we did in that proposition.

Q. You don't feel that cooperation——

THE PRESIDENT. We have given them everything we have got, but we want something in return. We want assurance that we will get the same treatment that we have given. That's all we are asking.

Someone was in to see me just recently, and he asked why we didn't go ahead and make peace. "Why don't you get to the Russians and fix this thing up?" he said. I said, "All right, we will give them Berlin, we will give them Germany, we will give them Korea, we will give them Japan, we will give them East Asia. Then they will settle. Is that what you want?" "Oh no, that isn't what we want at all," he said. That's what they want.

[5.] Q. While we are on the East, sir, there is some discussion now of the attitudes of the Western democracies—the three major powers, France, Britain, and ourselves—with respect to recognition of the Chinese Communist government? There is some suggestion that Britain may take a different course than ours and go ahead with recognition, with our tacit permission?

THE PRESIDENT. I hope not.

Q. Would you say anything on that?

THE PRESIDENT. I hope not.

Q. Mr. President, I was talking to a former member of the OSS in China, and he was deeply concerned about removal of our consulates there. We are taking our consulates out, but the British are staying. They at least have listening posts in China.

THE PRESIDENT. The only consulate, I think, that has been closed—been trying for months to get the consul away—is in Mukden. And the Russians are holding him.

Q. Yes, but otherwise in the rest of China we have other consular officials——

THE PRESIDENT. Not so far as I know.

[6.] Q. Do you think there will be any opportunity or chance, Mr. President, of ever establishing a consulate in eastern Germany? Mr. McCloy made a statement about that this morning.

THE PRESIDENT. I can't answer the question.

Q. Do you think it would be advantageous, or should be done?

THE PRESIDENT. I can't answer the question. I don't know. We don't recognize eastern Germany.

Q. You don't think we will for a long while?

THE PRESIDENT. How can we, if we can't have a united Germany?

[7.] Q. Sir, would you say something about our policy toward the United Nations?

THE PRESIDENT. It hasn't changed a bit. Our policy has been exactly the same from the beginning. We are responsible for the establishment of the United Nations, and we are supporting it with everything we have got.

Q. Would that be true of each of these individual areas when we are in the minority rather than in the majority?

THE PRESIDENT. It will be the same, now and forever, if I have anything to do with it.

[8.] Q. Mr. President, in view of the current trend in China, under what circumstances would we recognize the Communist regime there?

THE PRESIDENT. I can't go into that. I hope we will not have to recognize it.

Q. An alternative question then, what plan do we have for support of the Nationalist government in its present state?

THE PRESIDENT. I have plans, but they are not for publication.

[9.] Q. Mr. President, this 81st Congress doesn't look so bad, does it?

THE PRESIDENT. No. It is going to be all right. You see, it's only half through. Look at the 80th Congress for the first session and see the difference! You can't compare the first session of the 80th to the 81st. When you get through with the 81st, put them together.

[10.] Q. Mr. President, would you care to say anything about the farm bill?

THE PRESIDENT. I haven't seen it. I haven't analyzed it. I will give you my answer when I make up my mind to sign or veto it, whichever I am going to do.

Q. It looks good to me from Senator Lucas on the Hill.

THE PRESIDENT. You're a Farm Bureau columnist, that's what you are. [*Laughter*] They've got you in tow.

[11.] Q. Mr. President, the British seem to be struggling with their economic difficulties as much as before, and don't seem to be able to find any way out of it.

THE PRESIDENT. Well, that's their business, not ours.

Q. Any assistance in terms of loans?

THE PRESIDENT. That's their business, not ours. I am not running Great Britain, and don't propose to try to run it.

Q. Mr. President, are you contemplating any financial help, in addition to what they have got?

THE PRESIDENT. No.

Q. Any loans to the colonies?

THE PRESIDENT. No. No.

[12.] Q. Are you going to speak in New York before the elections?

THE PRESIDENT. I am going to speak at the cornerstone laying of the United Nations on the 24th of October, that's the only speech.

Mr. Hillman: Well, Mr. President, I think we have taxed you sufficiently. Thank you very much.

THE PRESIDENT. I like to talk with you. I like to talk with you.

Mr. Hillman: Everything is entirely off the record, nothing for attribution, or anything.

THE PRESIDENT. The situation is difficult, all over the world. It has been a difficult one ever since April 12, 1945, when I became the President. I have tried with everything I have to meet every situation as it has come up, and we are still running it, and we are going to continue to run it. Don't let things worry you!

[13.] Q. Do you still feel the same way about that proposed meeting between the heads of states that Senator McMahon suggested the other day after your announcement that there might be a meeting between yourself and the Soviet Prime Minister?

THE PRESIDENT. Can you think of anything that can be accomplished, except what I told the old gentleman who wanted to make peace?

Q. I think that Senator McMahon has changed it, by the way. I called on him yesterday and he said he would only consider it favorably now if you were permitted to talk to the Russian people, but he was a little indefinite.

[14.] THE PRESIDENT [*addressing H. V. Kaltenborn*]. When are you going to put on a show for me? [*Laughter*]

Mr. Kaltenborn: I ought to be at your service most any time.

THE PRESIDENT. I understand we are going to have a dinner soon?

Q. February—all right, sir.

THE PRESIDENT. Put him on! [*More laughter*]

Q. All right, sir, we'll entertain you.

Q. Have Kaltenborn do a back platform speech?

THE PRESIDENT. I will tell you who can give you some good instructions, our second in command of the Secret Service——

Q. Nick.[2]

THE PRESIDENT. Nick will tell him.

Mr. Kaltenborn: I will need a teacher, as I am not as good a natural actor as you are, Mr. President.

Q. You did a marvelous job.

Mr. Kaltenborn: That is why it was so good.

THE PRESIDENT. There wasn't any disrespect.

Mr. Kaltenborn: No, indeed.

Mr. Hillman: Thank you very much.

THE PRESIDENT. It's nice to have you here. I appreciate it very much.

Q. Mr. President, is the Vice President going to get married soon?

THE PRESIDENT. You will have to ask him. We have always suspected it, but I can't answer definitely.

NOTE: The President spoke in his office at the White House at 12:40 p.m. The meeting is carried in the White House Official Reporter's records as the President's two hundred and second news conference.

[2] Henry J. Nicholson.

235 Letter to the President of the Senate Commending the 81st Congress for the Accomplishments of the First Session. *October* 19, 1949

Dear Mr. Vice President:

As the first session of the Eighty-first Congress draws to a close, I want to express to the Senate my appreciation for the work they have done. The Congress has been faced with many momentous problems concerning both our foreign relations and our domestic affairs. To meet these problems, the Congress has remained in Washington laboring diligently through almost ten months of the

year, including one of the hottest summers in Washington history. I am confident that the American people will agree that the results have been well worth while.

I wish also to thank the members of the Senate for the courtesies they have shown to me and for the spirit which has made it possible for the Legislative and Executive branches to work together effectively.

I extend to each of you my good wishes as you return to your homes. I know from my own experience that your work does not end when a session of Congress closes. A most important part of the duties of a Member of Congress is the exchanging of views with his constituents and the studying of their problems at first hand. From that association, I hope that all of you will return next year refreshed and strengthened for the tasks that still lie ahead.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Alben W. Barkley, Vice President of the United States, Washington, D.C.]

NOTE: A similar letter was sent to the Honorable Sam Rayburn, Speaker of the House of Representatives.

236 The President's News Conference of *October* 20, 1949

THE PRESIDENT. [1.] I have a statement here that I think may answer some of your questions before they are asked. This you can get after the meeting—it will be mimeographed.

[*Reading*] "In view of certain recent statements about the construction program of the Atomic Energy Commission, I want to clarify the present status of a recent development within the program.

"A decision has been made to expand the facilities of the Atomic Energy Commission. This decision is the result of careful studies directed towards finding means of increasing our production capacity in an orderly fashion. It is a matter which has been under consideration for many months by the Atomic Energy Commission and the Department of Defense, as well as the National Security Council. I have authorized the Atomic Energy Commission to initiate the construction program now with funds available—now available, and I expect to recommend to the Congress early next year a financial plan which will enable the Commission to carry its program through."

I also want to say to you that I don't intend to answer any questions about the controversy in the Defense Department. [*Laughter*] So go ahead now and ask what you please.

Q. Mr. President, on the atomic program for next year, how much would that involve?

THE PRESIDENT. Well, it's a matter that the Budget and the Atomic Energy Commission are working on now. I can't announce it because it will be part of the 1951 budget to begin with, and I may make a special request early in the year for a part of that fund.

Q. I have seen some estimates, sir, up to 500 million?

THE PRESIDENT. No. The highest estimate, I think, has been 300 million, as I have seen it in the papers. [*Laughter*]

Q. Which is nearer, Mr. President?

THE PRESIDENT. Well, I can't answer that question. I will say when we have arrived

at a conclusion. I can't answer it intelligently now.

Q. Was the decision to go ahead with it now influenced in any way by the Russian bomb?

THE PRESIDENT. No, it was not.

Q. Mr. President, will this involve expansion of the Tennessee Valley Authority?

THE PRESIDENT. I can't answer that question. You will have to get that information from the Atomic Energy Commission. They are coming up to me with what they propose to do when I allow the full amount. That will allow them to start in with the $30 million which they have in their reserve for it.

[2.] Q. Mr. President, have you made any plans for seizure of either the coal or steel industries?

THE PRESIDENT. No, I haven't.

Q. Mr. President, have you got any other type of intervention in mind?

THE PRESIDENT. No, I haven't.

Q. If the mediation plans break down, will any such plan be initiated?

THE PRESIDENT. We will go on from there. I am in continuous and close touch with all the things that are taking place.

Q. You said you will go on from there?

THE PRESIDENT. We will cross that bridge when we come to it.

[3.] Q. Mr. President, will you comment on the disastrous floods——

Q. Louder, please.

Q. ——in Guatemala?

THE PRESIDENT. He wants me to comment on the disastrous floods in Guatemala. Of course, it's a horrible thing. I understand by this morning's paper that some 4,000 people have lost their lives as a result of that disaster—floods, landslides, and things of that sort. And we are not only sympathetic but we are more than that, we expect to give them some concrete help to cover it.

Q. Any specific plans under consideration, Mr. President, for such help?

THE PRESIDENT. It will be the customary help which we always give in cases of that kind, principally under the direction of the Red Cross.

Q. Have you any suggestions, Mr. President, for the American citizens in that form of relief?

THE PRESIDENT. No, I know nothing about the situation in detail. We will do the best we can to help our neighbor, as we should.

[4.] Q. Mr. President, have you received any recommendation from the committee you named to investigate the possibility of allocating Marshall plan funds for the purchase of New England textiles for Germany?

THE PRESIDENT. No, I haven't.

[5.] Q. Mr. President, have you received any invitation from Prime Minister Nehru of India to visit that country or——

THE PRESIDENT. Every one of our distinguished guests, when he leaves, always asks me to return the visit.

Q. Will you go, Mr. President?

THE PRESIDENT. I have no plans for that purpose.

[6.] Q. Mr. President, do you plan to make any recess appointments on the Washington municipal court any time soon—there are three vacancies——

THE PRESIDENT. The bill hasn't been signed yet. I will answer that when the matter becomes a matter of law. I will make a number of recess appointments. Whether they will include the municipal judges or not, I can't say at the present time.

[7.] Q. Mr. President, will you have an appointment soon for the vacancy created by the resignation of Dr. Nourse?

THE PRESIDENT. I hope to.

[8.] Q. Can you tell us anything about your vacation plans, Mr. President?

THE PRESIDENT. Not yet. It is going to take 10 days or 2 weeks to clean up the hundred and one bills that will be on my desk in the next few days, and I can't make any plans until I have my work wound up.

[9.] Q. Mr. President, when will you sign titles 1 and 2 of the National Housing Act? [1]

THE PRESIDENT. I don't know. You see, there are certain procedures that all these bills have to go through with. They have to be examined by the Attorney General. They have to be examined by the departments which they affect, and they have to be examined by my experts in the White House; then they come to my desk and I analyze them myself. Sometimes I sign them, and sometimes I don't.

[10.] Q. Mr. President, do you still have hopes that mediation can be successful in the coal and steel strikes?

THE PRESIDENT. Yes, I have, and I think the sooner they come to a conclusion on that and go back to work, the better it is going to be for the country and for themselves, both employers and employees.

[11.] Q. Mr. President, do you plan to ask Congress next year to repeal the Taft-Hartley Act?

THE PRESIDENT. Yes.

[12.] Q. Mr. President, apparently there is going to be a tremendous deficit at the end of this fiscal year, as a result of the appropriations by the 81st Congress. Have you any plans to meet that?

THE PRESIDENT. No. The plan that brought that about was the 80th Congress, when it passed that rich man's tax bill without taking into consideration the fixed charges of the Government. I don't believe in deficit financing any more than anybody else does, but the Government has certain obligations which it has to meet, and those fixed charges run nearly $35 billion. Now, what are you going to do about that?

Q. The 80th Congress is over. Isn't there something that can be done?

THE PRESIDENT. I asked this Congress to pass the tax bill, which they couldn't do. Apparently there is nothing you can do but meet the situation as best you can. I can't meet it without the cooperation of the other branches of the Government. There is nobody in the world, I am sure, who believes in economy more than I do. Nobody puts it into effect any more effectively than I do.

Q. Will you ask them for increased taxes next session?

THE PRESIDENT. I am going to ask for a remedy to meet this situation. It might require taxes to do it.

Q. Mr. President, Dr. Nourse said the other day that he was unhappy about deficit financing. Are you unhappy about it?

THE PRESIDENT. Who isn't unhappy about it? Who isn't unhappy about it? But it was brought about through no fault of the President of the United States.

[13.] Q. Mr. President, speaking of cooperation from Congress, do you intend to get on the train again next year?

THE PRESIDENT. Well now, we will also cross that bridge when we get to it. We have another session of the 81st Congress, and I hope it will be as productive as the first session has been. In that case it may not be necessary for me to get on a train. I can help them right here.

[14.] Q. Your remedy, Mr. President, may—if your study shows it—call for an increase in taxes?

THE PRESIDENT. Certainly. We have got to find the money to run the Government.

[1] On October 25, 1949, the President approved S.J. Res. 134, the National Housing Act Amendments (63 Stat. 905).

Period. That's all there is to it.

Q. May we quote that, sir?

THE PRESIDENT. Yes.

Q. Would the "certainly," Mr. President, refer to a request to Congress for increased taxes?

THE PRESIDENT. I beg your pardon?

Q. Would the "certainly"—your "certainly" refer to the fact that——

THE PRESIDENT. The "certainly" means to—it means to find the money to meet the expenses of the Government. Now you can construe it any way you want to. If you can get it any other way except by taxes, I would like for you to tell me how to do it. Then I will go to work on it.

[15.] Q. Mr. President, do you approve of the farm compromise?

THE PRESIDENT. It has not come up to me yet. I will tell you about that when it comes time for me to sign the bill. I will either sign it or I won't.[2]

[16.] Q. Mr. President, are you finding it difficult to find a permanent chairman for the National Security Resources Board?

THE PRESIDENT. Yes, our difficulty is finding a chairman for the National Security Resources Board. And the reason for it is the fact that the men who are capable of filling the job don't like to come down here and be shot at, like the people who come down here to work for the Government have to take—have to take the beating that they take publicly and privately. And I have had difficulty finding men to come down here. We have men under consideration, and considered several more on the subject. They just don't feel like coming down here and working for less than a third of what they get in industry, and then have to take the beating and the slanderous treatment that they get here in this town.[3]

[17.] Q. Mr. President, have you made the selection as to the men who will head up the European arms program?

THE PRESIDENT. Yes, I have.

Q. Will you tell us who those——

THE PRESIDENT. His name is James Bruce. [*Laughter*]

Q. *That's* news!

THE PRESIDENT. Yes. He has been sworn in.

[18.] Q. Mr. President, do you plan to give a job to Mr. Olds?

THE PRESIDENT. Yes, I would like to give Mr. Olds a job, if I can find one that is suitable for him.[4]

Q. You are pretty good at finding jobs for people when you want to, Mr. President. [*Laughter*]

THE PRESIDENT. Thank you. I understand Tony [5] wants a job. [*More laughter*]

Q. Does he want one?

THE PRESIDENT. Yes, he said so.

[19.] Q. Mr. President, have you decided whether you are going to accept the invitation to go to Boston, for that Democratic——

THE PRESIDENT. I have it under consideration. I haven't come to any decision as yet. I hope I will be able to go.

Reporter: Thank you, Mr. President.

NOTE: President's Truman's two hundred and third news conference was held in his office at the White House at 10:30 a.m. on Thursday, October 20, 1949.

[2] On October 31, 1949, the President approved H.R. 5345, the Agricultural Act of 1949 (63 Stat. 1051).

[3] President Truman announced in his press conference of March 30, 1950, that he had asked W. Stuart Symington to accept the position of Chairman of the National Security Resources Board as soon as a replacement could be found to take over his tasks as Secretary of the Air Force.

[4] On January 3, 1950, the President appointed Leland Olds to be a member of the President's Water Resources Policy Commission.

[5] Ernest B. Vaccaro of the Associated Press.

237 Address in New York City at the Cornerstone Laying of the United Nations Building. *October 24, 1949*

President Romulo, Mr. Lie, Governor Dewey, Mayor O'Dwyer, distinguished representatives, and fellow guests:

We have come together today to lay the cornerstone of the permanent headquarters of the United Nations. These are the most important buildings in the world, for they are the center of man's hope for peace and a better life. This is the place where the nations of the world will work together to make that hope a reality.

This occasion is a source of special pride to the people of the United States. We are deeply conscious of the honor of having the permanent headquarters of the United Nations in this country. At the same time, we know how important it is that people of other nations should come to know at first hand the work of this world organization. We consider it appropriate, therefore, that the United Nations should hold meetings from time to time in other countries when that can be done. For the United Nations must draw its inspiration from the people of every land; it must be truly representative of and responsive to the peoples of the world whom it was created to serve.

This ceremony marks a new stage in the growth of the United Nations. It is fitting that it should take place on United Nations Day, the fourth anniversary of the day the charter entered into effect. During the 4 years of its existence, this organization has become a powerful force for promoting peace and friendship among the peoples of the world. The construction of this new headquarters is tangible proof of the steadfast faith of the members in the vitality and strength of the organization, and of our determination that it shall become more and more effective in the years ahead.

The charter embodies the hopes and ideals of men everywhere. Hopes and ideals are not static. They are dynamic, and they give life and vigor to the United Nations. We look forward to a continuing growth and evolution of the organization to meet the changing needs of the world's peoples. We hope that eventually every nation on earth will be a fully qualified and a loyal member of this organization.

We who are close to the United Nations sometimes forget that it is more than the procedures, the councils, and the debates, through which it operates. We tend to overlook the fact that the organization is the living embodiment of the principles of the charter—the renunciation of aggression and the joint determination to build a better life for the whole world.

But if we overlook this fact, we will fail to realize the strength and power of this great organization. We will fail to understand the true nature of this new force that has been created in the affairs of our time.

The United Nations is essentially an expression of the moral nature of man's aspirations. The charter clearly shows our determination that international problems must be settled on a basis acceptable to the conscience of mankind.

Because the United Nations is the dynamic expression of what all the peoples of the world desire, because it sets up a standard of right and justice for all nations, it is greater than any of its members. The compact that underlies the United Nations cannot be ignored—and it cannot be infringed or dissolved.

We in the United States, in the course of our own history, have learned what it means to set up an organization to give expression

to the common desire for peace and unity. Our Constitution expressed the will of the people that there should be a United States. And through toil and struggle the people made their will prevail.

In the same way, I think, the charter and the organization served by these buildings express the will of the people of the world that there shall be a United Nations.

This does not mean that all the member countries are of one mind on all issues. The controversies which divide us go very deep. We should understand that these buildings are not a monument to the unanimous agreement of nations on all things. But they signify one new and important fact. They signify that the peoples of the world are of one mind in their determination to solve their common problems by working together.

Our success in the United Nations will be measured not only in terms of our ability to meet and master political controversies. We have learned that political controversies grow out of social and economic problems. If the people of the world are to live together in peace, we must work together to establish the conditions that will provide a firm foundation for peace.

For this reason, our success will also be measured by the extent to which the rights of individual human beings are realized. And it will be measured by the extent of our economic and social progress.

These fundamental facts are recognized both in the language of the charter and in the activities in which the United Nations has been engaged during the past 4 years. The charter plainly makes respect for human rights by nations a matter of international concern. The member nations have learned from bitter experience that regard for human rights is indispensable to political, economic, and social progress. They have learned that disregard of human rights is the beginning of tyranny and, too often, the beginning of war.

For these reasons, the United Nations has devoted much of its time to fostering respect for human rights. The General Assembly has adopted the Universal Declaration of Human Rights and the Convention on Genocide. Other important measures in this field are under study.

I am confident that this great work will go steadily forward. The preparation of a Covenant on Human Rights by the Human Rights Commission is a task with which the United States is deeply concerned. We believe strongly that the attainment of basic civil and political rights for men and women everywhere—without regard to race, language, or religion—is essential to the peace we are seeking. We hope that the Covenant on Human Rights will contain effective provisions regarding freedom of information. The minds of men must be free from artificial and arbitrary restraints, in order that they may seek the truth and apply their intelligence to making a better world.

Another field in which the United Nations is undertaking to build the foundations of a peaceful world is that of economic development. Today, at least half of mankind lives in dire poverty. Hundreds of millions of men, women, and children lack adequate food, clothing, and shelter. We cannot achieve permanent peace and prosperity in the world until the standard of living in underdeveloped areas is raised.

It is for this reason that I have urged the launching of a vigorous and concerted effort to apply modern technology and capital investment to improve the lot of these peoples. These areas need a large expansion of investment and trade. In order for this to take place, they also need the application of scientific knowledge and technical skills to their basic problems—producing more food, im-

proving health and sanitation, making use of their natural resources, and educating their people.

To meet these needs, the United Nations and its agencies are preparing a detailed program for technical assistance to underdeveloped areas.

The Economic and Social Council last summer defined the basic principles which should underlie this program. The General Assembly is now completing and perfecting the initial plans. The fact that the Economic Committee of the Assembly voted unanimously for the resolution on technical assistance shows that this is a common cause which commands united support. Although differences may arise over details of the program, I fervently hope that the members of the United Nations will remain unanimous in their determination to raise the standards of living of the less fortunate members of the human family.

The United States intends to play its full part in this great enterprise. We are already carrying on a number of activities in this field. I shall urge the Congress, when it reconvenes in January, to give high priority to proposals which will make possible additional technical assistance and capital investment.

I should like to speak of one other problem which is of major concern to the United Nations. That is the control of atomic energy.

Ever since the first atomic weapon was developed, a major objective of United States policy has been a system of international control of atomic energy that would assure effective prohibition of atomic weapons, and at the same time would promote the peaceful use of atomic energy by all nations.

In November 1945, Prime Minister Attlee of the United Kingdom, Prime Minister Mackenzie King of Canada, and I agreed that the problem of international control of atomic energy should be referred to the United Nations. The establishment of the United Nations Atomic Energy Commission was one of the first acts of the first session of the General Assembly.

That commission worked for 3 years on the problem. It developed a plan of control which reflected valuable contributions by almost every country represented on the commission. This plan of control was overwhelmingly approved by the General Assembly on November 4, 1948.

This is a good plan. It is a plan that can work and, more important, it is a plan that can be effective in accomplishing its purpose. It is the only plan so far developed that would meet the technical requirements of control, and would make prohibition of atomic weapons effective, and at the same time promote the peaceful development of atomic energy on a cooperative basis.

We support this plan and will continue to support it unless or until a better and more effective plan is put forward. To assure that atomic energy will be devoted to man's welfare and not to his destruction is a continuing challenge to all nations and all peoples. The United States is now, and will remain, ready to do its full share in meeting this challenge.

Respect for human rights, promotion of economic development, and a system for control of weapons are requisites to the kind of world we seek. We cannot solve these problems overnight, but we must keep everlastingly working at them in order to reach our goal.

No single nation can always have its own way, for these are human problems, and the solution of human problems is to be found in negotiation and mutual adjustment.

The challenge of the 20th century is the challenge of human relations, and not of

impersonal natural forces. The real dangers confronting us today have their origins in outmoded habits of thought, in the inertia of human nature, and in preoccupation with supposed national interests to the detriment of the common good.

As members of the United Nations, we are convinced that patience, the spirit of reasonableness, and hard work will solve the most stubborn political problems. We are convinced that individual rights and social and economic progress can be advanced through international cooperation.

Our faith is in the betterment of human relations. Our vision is of a better world in which men and nations can live together, respecting one another's rights and cooperating in building a better life for all. Our efforts are made in the belief that men and nations can cooperate, and that there are no international problems which men of good will cannot solve or adjust.

Mr. President, Mr. Lie, the laying of this cornerstone is an act of faith—our unshakable faith that the United Nations will succeed in accomplishing the great tasks for which it was created.

But "faith without works is dead." We must make our devotion to the ideals of the charter as strong as the steel in this building. We must pursue the objectives of the charter with resolution as firm as the rock on which this building rests. We must conduct our affairs foursquare with the charter, in terms as true as this cornerstone.

If we do these things, the United Nations will endure and will bring the blessings of peace and well-being to all mankind.

NOTE: The President spoke at 12:30 p.m. from a stand erected on Forty-second Street, the southern boundary of the permanent headquarters of the United Nations, between Franklin D. Roosevelt Drive and First Avenue, New York City.

The President's opening words referred to Brig. Gen. Carlos P. Romulo, President of the General Assembly; Trygve Lie, Secretary General of the United Nations; Thomas E. Dewey, Governor of New York; and William O'Dwyer, Mayor of New York City. The address was carried over all radio and television networks.

238 Remarks at a Luncheon in New York City on United Nations Day. *October* 24, 1949

Mr. Chairman, Mr. Mayor, distinguished guests:

If I were to call the roll here, I would call the roll of the most distinguished people in the world.

This has been a great day for me. I appreciate, Mr. Mayor, the cordial welcome of the greatest city in the world, the mayor of the greatest city in the world, and this great organization of the world, the United Nations.

We have laid the cornerstone of the building that is to house the organization for the peace and welfare of the world.

I am sincerely hoping that the things which we anticipated for the United Nations at San Francisco and at Flushing Meadows—when they opened up there, I happened to be present in both instances—will eventually come to pass.

If you remember, I always like to think of the adoption of the Constitution of the United States in 1789. We had almost exactly the same sort of troubles then that we are having with the United Nations on a world basis today.

In fact, it took us 80 years to find out that we could live peaceably together, and we had

to whip ourselves before we became conscious of the fact that we were a great Nation. And then we had to fight two world wars before we found out that our position in the world was necessary for the benefit and the welfare of the world—as is the position of every other nation in the world.

I sincerely hope that as a result of this meeting today we will come closer and closer to that ideal condition which we all visualize, after having been through two of the most terrible wars that ever were fought.

I don't want to see another war. I am trying with everything I have to prevent another war. All I am working for is peace in the world, and the welfare of the people of the United States, and the people of all the other nations in the world. That is what Point 4 means.

Thank you very much.

NOTE: The President spoke at 3:40 p.m. at Gracie Mansion, the mayor's official residence, in New York City. The luncheon in the President's honor was given by Mayor William O'Dwyer.

239 Statement by the President Upon Signing the Fair Labor Standards Amendments. *October* 26, 1949

I HAVE today signed H.R. 5856, the Fair Labor Standards Amendments of 1949, the major effect of which is to raise the minimum wage under the original 1938 act, as previously amended, from 40 cents to 75 cents an hour.

It is particularly gratifying to me to sign this bill during the week which marks the 11th anniversary of the effective date of the original Fair Labor Standards Act of 1938. This act has proved to be wise and progressive remedial legislation for the welfare not only of our wage earners but of our whole economy.

Upon its effective date, 90 days after its enactment, this amendatory act will:

1. Require every employer to pay to each of his employees who is engaged in commerce, or in the production of goods for commerce, wages at a rate of not less than 75 cents an hour. This provision will mean direct wage increases for approximately 1,500,000 of our wage earners, amounting in most cases to from 5 to 15 cents an hour.

2. Require every employer to refrain from employing any oppressive child labor in commerce or in the production of goods for commerce. This provision should result in the virtual elimination of the evil of child labor from our interstate and foreign trade and industry.

3. Enable employees to recover unpaid back wages owed them under the act in suits brought by the administrator on their written request. This should greatly improve the effective enforcement of the law and reduce the amount of unpaid wages owing to employees.

4. Provide a comprehensive definition of the term "regular rate" which is used in the act as the basis for computing the overtime pay an employee must receive when he works more than 40 hours per week. This provision will enable employers and employees to calculate with greater certainty the types of payments that must, and those that need not, be taken into account in determining an employee's regular rate.

5. Encourage the development of plans for employment on an annual basis through collective bargaining by providing greater flexibility in the overtime provisions. These

plans assure stability of income for wage earners and stability of operation for employers.

6. Bring within the coverage of the 75-cent minimum wage employees of airlines and those employed in fish and seafood canneries. This is a step in the right direction of broadening the act to bring within its scope more groups of workers.

7. Preserve and strengthen restrictions on industrial homework where necessary to protect the minimum wage.

These provisions are constructive steps of great importance in developing a sound Federal Fair Labor Standards Act.

I regret that the new act exempts from its provisions some workers who have been covered heretofore and that it fails to extend coverage to many other groups of workers who need its protection. But the improvements made by the new act will go far toward achieving our basic purpose of assuring minimum labor standards necessary for health, efficiency and general well-being of workers.

The enactment of the Fair Labor Standards Amendments of 1949 is a major victory in our fight to promote the general welfare of the people of the United States.

NOTE: As enacted, H.R. 5856 is Public Law 393 (63 Stat. 910).

240 The President's News Conference of *October 27, 1949*

THE PRESIDENT. [1.] I have only one announcement to make. I have received a request from the Secretary of the Navy to transfer Admiral Denfeld to another post, and I have given him permission to do it. You will find his letter, and my reply, in mimeographed form as you go out.[1]

Q. Could you say, sir, before we saw that, what other post it is, or has it—is it——

THE PRESIDENT. It hasn't been definitely decided as yet.

Q. Mr. President, before we see this exchange of correspondence, could you tell us why this move is being done?

THE PRESIDENT. The letter of the Secretary of the Navy will explain it in full.

Q. Is Admiral Sherman replacing him?

THE PRESIDENT. I can't answer that question.

Q. Mr. President, do you expect this to bring about greater harmony among——

THE PRESIDENT. I hope so.

Q. Do you know, Mr. President, whether Admiral Denfeld will accept a transfer, or resign?

THE PRESIDENT. I do not know.

Q. Has he been informed about it?

THE PRESIDENT. I suppose so.

Q. When do you expect to name a successor?

THE PRESIDENT. As soon as I find out who I want to appoint.[2]

Q. Have you, sir, informed Admiral Denfeld of this?

THE PRESIDENT. I had no conversation with anybody but the Secretary of the Navy.

Q. How does this square with the assurances given that there would be no reprisals?

THE PRESIDENT. The letter will speak for itself. You will get all the information you

[1] See Item 241.

[2] Adm. Forrest P. Sherman became the next Chief of Naval Operations. He was appointed on November 2, 1949, and was confirmed by the Senate on January 24, 1950.

want out of the letter.

[2.] Q. Mr. President, has the suggestion that the NLRB General Counsel, Mr. Denham—not Denfield—be replaced been brought to your attention? It was made by CIO President Murray 2 days ago.

THE PRESIDENT. I haven't received any communications from President Murray.

[3.] Q. Mr. President, are you appointing Dr. Dewey Anderson in Dr. Nourse's spot?

THE PRESIDENT. Not that I know of. That's news to me. Who *is* Dr. Dewey Anderson? [*Laughter*]

[4.] Q. Mr. President, do you have anything to say about the appointment of George V. Allen as Ambassador to Yugoslavia?

THE PRESIDENT. He will be appointed Ambassador to Yugoslavia, and his successor has not been decided on as yet.

[5.] Q. Mr. President, there is a story out of Cleveland that Mayor Burke—the Mayor of Cleveland—telephoned the White House today about the service situation, that the coal supplies there aren't normal. Did you talk to him?

THE PRESIDENT. No, I did not talk to him. I wouldn't be surprised if he did make a phone call of that sort. We get them every day, every time there's a strike we get phone calls like that.

Q. Mr. President, do you plan or propose invoking the emergency section of the Taft-Hartley Act in either the coal or steel strikes?

THE PRESIDENT. We will cross that bridge when we come to it. There is no national emergency as yet.

[6.] Q. Mr. President, it has been suggested that we ought to withhold arms aid from the Philippines if Mr. Laurel is elected in the coming elections out there. Would you comment on that?

THE PRESIDENT. I will not comment on that. The Philippine people have a right to elect anybody they choose for president, and we will still be friendly with the Philippines whoever the president is.

[7.] Q. Mr. President, would you care to comment on the suggestion that the board of inquiry in the steel case be recalled to clarify its report, or to assist the parties in reaching agreement?

THE PRESIDENT. The board of inquiry in the steel strike was appointed. It did its job. It has been discharged. And there is no other board to be appointed.

[8.] Q. Mr. President, have you reached any decision yet regarding the possibility of recognition of the Communist Government of China?

THE PRESIDENT. I have had no discussion on that subject.

[9.] Q. Mr. President, do you plan to campaign next year for your Congressman, Mr. Irving? [3]

THE PRESIDENT. I will cross that bridge when I get to it. What do *you* think? [*Laughter*]

[10.] Q. Mr. President, any further statements you can make on taxes?

THE PRESIDENT. No, nothing further to say.

Q. You feel that individual——

THE PRESIDENT. I have nothing further to say on the subject.

[11.] Q. I couldn't hear that Irving thing back here.

THE PRESIDENT. He wanted to know if I was going to campaign for my Congressman, Mr. Irving, and I told him I would cross that bridge when I got to it, and asked him whether he thought I would.

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[3] Representative Leonard Irving of the Fourth Congressional District of Missouri, the President's home district, was also the president of the Hod Carriers', Building, and Common Laborers' Union. On July 16 he was charged with diverting union funds to his own use, but the charges were dismissed by a Federal circuit court on August 15.

Q. Who was the questioner, sir?

THE PRESIDENT. This red-headed boy back here, who is asking a question now.

Q. Mr. President, he has been quoted as saying that the publicity about the resignation of his secretary is intended by his enemies to embarrass you as well as him. I wonder if you felt embarrassed?

THE PRESIDENT. You know I am embarrass-proof. [*Laughter*] Everybody in the world has tried to embarrass me, and it hasn't worked.

[12.] Q. Mr. President, about the board of inquiry, you said that it did its job. Would you care to elaborate on that?

THE PRESIDENT. No, there is no elaboration. Read the report, that's all you need to do. Have you read it?

Q. Yes, sir.

THE PRESIDENT. All right, then you got the answer.

Q. Mr. President, on that point, there is a suggestion by Mr. Daugherty [4] that the board might be willing to reconsider. Would you object to that, if the request were made by both parties?

THE PRESIDENT. I would do nothing about it. The board has done its job. Period.

[13.] Q. Mr. President, could you tell us about the talk you had with these businessmen 2 or 3 days ago—I think it was last week—in which one of them said that you had a baseball bat in the corner waiting for them?

THE PRESIDENT. The speech that I made to those businessmen was off the record, and it is still off the record.[5]

[14.] Q. Mr. President, do you have a candidate for the vacancy on the Federal Trade Commission?

THE PRESIDENT. Not yet. I will have one.

Q. Your candidate might come out?

THE PRESIDENT. He probably won't be a candidate when I get through with him. [*Laughter*]

[15.] Q. Mr. President, could you clarify something for me, in reply to the question about the recalling of the steel board? You said the board had done its job, and no other board would be appointed?

THE PRESIDENT. That's correct.

Q. Well now, that might be interpreted as meaning that you would not appoint the board provided under the Taft-Hartley Act——

THE PRESIDENT. Well now, I suppose we will cross that bridge when we get to it. We are not there by a long way.

Q. Would such——

THE PRESIDENT. The law will be complied with when it comes time. I will do all that is necessary for the law to be complied with, but it can't be complied with until that time comes.

Q. As I understand it, the law says it is entirely discretionary with you about whether or not you use the——

THE PRESIDENT. Well, I don't know. I have never had a chance yet to enforce the Taft-Hartley law, and when the time comes that I should enforce it, it will be enforced.

Q. I thought you had done it 6 times?

THE PRESIDENT. How's that?

Q. I thought you had used it?

THE PRESIDENT. The Taft-Hartley law? I have never used the Taft-Hartley law that I know of.

Q. Wasn't it used against John L. Lewis the last time?

THE PRESIDENT. That was the War Powers Act under which we acted with John L. Lewis.

[4] Carroll R. Daugherty, chairman of the Steel Industry Board. See Item 209.

[5] The President's off-the-record remarks were made to the Businessmen's Dinner Forum of the A. & H. Kroeger Organization. The President spoke at the Statler Hotel in Washington on October 20, at 9:30 p.m.

Q. The second time.

THE PRESIDENT. It may have been. It may have been.

Q. The War Powers——

THE PRESIDENT. I had forgotten about that. It may have been.[6]

Q. Would it be fair——

THE PRESIDENT. We will comply with the law when the time comes.

Q. Would it be fair to say that when the time comes, you would——

THE PRESIDENT. Of course I would. I am here as the Executive of the United States, to enforce the law. That is what I intend to do.

Q. You said that it's a long way from an emergency?

THE PRESIDENT. Yes, it's a long way from a national emergency.

Q. Mr. President, who determines the emergency on that?

THE PRESIDENT. I do.

Q. Your personal duty?

THE PRESIDENT. I determine it, unless the Congress happens to be in session and passes a resolution that there is a national emergency.

Q. Have you determined, Mr. President, whether you have the power of seizure, that is——

THE PRESIDENT. No, I have not.

Q. ——that is, either—under any law?

Q. You haven't the power, or you haven't determined it, sir?

THE PRESIDENT. I haven't determined it.

Q. Are you still optimistic for a voluntary settlement, Mr. President?

THE PRESIDENT. Yes, I am. I am always hoping that collective bargaining will work. That is what everybody wants. At least, that is what they say they want.

Q. Mr. President, I am not clear about these seizure powers. Did you say you had no seizure powers?

THE PRESIDENT. No, I didn't say that. I said I hadn't determined whether I had seizure powers. Whenever we come to that fact, we will go into all those details and I will do whatever the law requires.

[16.] Q. Mr. President, with regard to being embarrass-proof, does that go for the Cabinet member who quoted you as being ready to intervene in the steel strike?

THE PRESIDENT. I don't know what Cabinet member quoted me. I think Mr. Ross answered that question fully and completely this morning.[7] You will have to put up with that answer.

Q. What was the question?

THE PRESIDENT. He wanted to know if I was embarrassed by the purported interview by the Cabinet officer, and I told him Mr.

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[6] On March 23, 1948, the President signed Executive Order 9939, "Creating a Board of Inquiry to report on a labor dispute affecting the bituminous coal industry of the United States." The order was issued under the authority of section 206 of the Labor Management Relations Act of 1947 (61 Stat. 136).

[7] During the morning, Charles G. Ross, Secretary to the President, dictated the following statement to the press:

"Any attribution to the President of any plan to intervene in the coal and steel strikes or to fix a deadline on the effort to reach a settlement through mediation is entirely without warrant.

"This office has told you every day, in reply to questions, the literal and exact truth of the situation.

"Obviously this office cannot foreclose the possibility of appropriate action by the President on any matter before him at any time.

"He 'may' do anything that is within his power to do. But it is literally true that the strikes are in the hands of the Mediation Service at this time and the President is keeping hands off.

"He certainly is not putting out statements, directly or indirectly, that he is going to intervene."

Mr. Ross went on to state that he was authorized by the President to say that he had not discussed the present strike situation with any member of the Cabinet. Upon being questioned by a reporter, Mr. Ross conceded that the President might have mentioned the subject in a Cabinet meeting.

Ross had answered that question thoroughly and completely this morning just the way I wanted it answered.

[17.] Q. Mr. President, have you got anybody yet for the Economic Council?

THE PRESIDENT. No, not yet. I will announce it just as quickly as I find a man to take the job.

[18.] Q. Going back to the Navy situation, does this correspondence make clear when you made the decision on it, sir?

THE PRESIDENT. I answered the letter of the Secretary of the Navy, and that is when the decision was made.

Q. The dates show?

THE PRESIDENT. Yes.

Q. Mr. President, do you expect other changes in the Navy, following——

THE PRESIDENT. Well, I do not know what the procedure will be from now on.

Q. Mr. President, you said you hadn't talked to anyone except the Secretary of the Navy about it. What about the Secretary of Defense, sir?

THE PRESIDENT. The Secretary of Defense was present when I talked to the Secretary of the Navy. He heard the conversation.

Q. That would have been the day before yesterday then, wouldn't it, sir?

THE PRESIDENT. It could have been. [*Laughter*]

Q. Mr. President, did you talk to the Navy Secretary today?

THE PRESIDENT. Yes, I did.

Q. In the case of the other officers except Admiral Denfeld, the Secretary of the Navy can act on his own, can't he, sir?

THE PRESIDENT. I think so. I think that that is true.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're entirely welcome.

NOTE: President Truman's two hundred and fourth news conference was held in his office at the White House at 4 p.m. on Thursday, October 27, 1949.

241 Memorandum on the Transfer of Admiral Denfeld From the Post of Chief of Naval Operations. *October* 27, 1949

Memorandum for the Secretary of the Navy:

Over a long period of time I have devoted considerable thought to various aspects of the problem which you discuss in your letter of today's date.

The action which you recommend meets with my approval. Accordingly, I hereby authorize you to arrange for and carry out the transfer which you recommend.

HARRY S. TRUMAN

NOTE: In his letter of October 27, also released, Secretary Matthews began by recalling the circumstances at the time of his appointment. The President had then emphasized the importance of successful implementation of the Unification Act of 1947 and had "pointed out how essential it would be to have the proper military personnel in key positions, up to and including [the] Chief of Naval Operations, in order to attain that much desired result."

Very soon after he had assumed office, the Secretary continued, "it became evident to me that there was definite resistance on the part of some naval officers to accepting unification of the Armed Services. . . . That condition was reflected by public and private statements from various sources. . . ."

He had recommended the reappointment of Adm. Louis E. Denfeld as Chief of Naval Operations because he had every reason to believe that they were in complete agreement on all important questions affecting the administration of the Department of the Navy. However, Secretary Matthews added, his relations with Admiral Denfeld had finally become such that he found it increasingly difficult to work

with him. "A military establishment is not a political democracy. Integrity of command is indispensable at all times. There can be no twilight zone in the measure of loyalty to superiors and respect for authority existing between various official ranks."

Secretary Matthews closed his letter by requesting the President to authorize the transfer of Admiral Denfield to other important duties.

Adm. Louis E. Denfeld's appointment to be Chief of Naval Operations was confirmed by the Senate on December 8, 1947. He was succeeded in the post by Adm. Forrest P. Sherman on November 2, 1949.

242 Statement by the President Upon Signing the New Classification Act. *October* 28, 1949

I HAVE today signed H.R. 5931, the Classification Act of 1949. This act completely revises and brings up to date the salary structure for nearly half the civilian jobs of the Government—that is, nearly all of the jobs in the executive branch except those in the postal service and those paid on an hourly basis which are covered by other legislation.

This legislation makes a number of significant improvements in the pay structure of the Government. It greatly simplifies the salary system by reducing the number of pay grades from 41 to 28, and at the same time, corrects inequities among the different grades which were created by piecemeal legislation over a period of years. It authorizes longevity step-increases above the maximum scheduled grade rate for employees with long, faithful, and efficient service.

The act also adds three new grades at the top of the pay schedule, which will permit a limited number of the top career positions to be paid up to a maximum of $14,000. As a result of this action, it will be possible to increase the salaries of some top career positions whose incumbents have been paid the same salary as many of their subordinates. It will also make it possible for the Government to compete more effectively with higher-paying private employment for the services of outstanding people, and to offer a greater incentive to able young men and women considering whether to enter public service as a career.

The new Classification Act also improves Federal personnel administration by decentralizing to the departments and agencies the responsibility for fixing the pay rate for each position, except those in the top three grades. This will eliminate one source of delay in appointing qualified personnel. At the same time, it will increase the responsibility of the departments and agencies for meeting their own position classification problems. These responsibilities must be carefully exercised. The Civil Service Commission, in carrying out its responsibilities for maintaining the consistency of salaries on a Government-wide basis, must also exercise its authority for prescribing standards and reviewing and inspecting the operations and decisions under the act to assure that its provisions are judiciously administered by all alike.

The management improvement provisions of the act further assure economy and efficiency by requiring the department and agency heads to review their operations on a systematic and continuing basis. This provision recognizes the importance of improving the management of Government operations which was emphasized so strongly by the Hoover Commission and which is the purpose of the program provided for by a recent Executive order establishing the Ad-

visory Committee on Management Improvement. Furthermore, it provides for the reward of those persons or groups of persons who have done an exceptional job in promoting economy and efficiency in the Government's work.

This act is a major step forward toward better personnel administration and more effective management in the executive branch.

NOTE: As enacted, H.R. 5931 is Public Law 429 (63 Stat. 954).

243 Statement by the President Upon Signing Bill Providing for Improved Rural Telephone Facilities. *October* 28, 1949

I HAVE today approved H.R. 2960, which amends the Rural Electrification Act of 1936 to authorize a loan program for the improvement and expansion of rural telephone facilities.

The need of our farm people for adequate telephone service at reasonable rates is second only to their need for dependable, low-cost electricity. Indeed, I think it has been brought out quite clearly in the House and Senate hearings on this bill that no group of people needs telephone service as much as do our farmers. The farm is a place of business as well as the home of the farm family. Its relative isolation makes the telephone even more necessary to farm people than to city dwellers for emergencies, for greater economic well-being, and for the health and happiness of all members of the farmer's family.

The importance of this new act is apparent from the fact that today only about 40 percent of our farms have any kind of telephone service at all. This is scarcely any improvement over 1920, when about 39 percent of them had telephone service. The rural telephone service trend is in striking contrast with the progress of electric light and power service in rural areas. In 1935, the year prior to the enactment of the Rural Electrification Act, only about 11 percent of our farms had electricity. Today almost 80 percent are electrified. Most of this gain has been due to the stimulus of the REA program. In the past year, REA-financed systems have been responsible for about three-fourths of all new farm electric service extensions. The success of the rural electrification program is a happy augury of what we may expect from this rural telephone program based on the same principles.

In enacting this new legislation, we have made it our national policy "that adequate telephone service be made generally available in rural areas through the improvement and expansion of existing telephone facilities and the construction and operation of such additional facilities as are required. . . ." And the objective of this legislation is to implement that policy so as "to assure the availability of adequate telephone service to the widest practicable number of rural users of such service."

I am glad that the Congress has written into the act in such unmistakable terms this principle of maximum telephone coverage of rural areas. It is my hope that the provisions of the act will prove adequate to enable the Rural Electrification Administration to take all the steps necessary to realize that objective. I am sure that the States, persons now providing telephone service, new organizations of users, and the individual residents of rural areas all will coop-

erate fully to bring about the greatest measure of success under this new law.

In particular, I wish to express my belief that by applying the REA pattern to meeting the need of our farm population for more and better telephone service, the Congress has acted to promote the general welfare of our rural citizens and of the Nation as a whole and, at the same time, to strengthen our private enterprise system. The combination of Federal loans and technical advisory services with local initiative, and the assumption by people locally of the responsibilities of ownership, operation and control of needed service enterprises, has proved eminently successful in the field of rural electrification. I am confident that it will prove similarly successful in the rural telephone field.

NOTE: As enacted, H.R. 2960 is Public Law 423 (63 Stat. 948).

244 Statement by the President Upon Signing the National Military Establishment Appropriation Act. *October* 29, 1949

I HAVE signed H.R. 4146, a bill making appropriations for the National Security Council, the National Security Resources Board, and the military functions administered by the Department of Defense for the fiscal year ending June 30, 1950.

The amounts provided in this bill for most of the components of our defense program will permit operations at the approximate levels contemplated in the original 1950 budget recommendations. For one item, however, a sharp increase in authorizations provided by the Congress represents a major shift in the direction and emphasis of our defense program. If fully utilized, this increased authorization would result in a serious lack of balance in our defense program and would require much heavier expenditures in the future than we now contemplate.

This increased authorization is largely for an expanded structure for the Air Force. In all, the Congress has increased authorizations for the Air Force by more than $615,000,000 above 1950 budget recommendations.

The significance of this change cannot be measured solely from the standpoint of the Air Force or of the Department of Defense. Rather, it must be viewed in the light of total national policies and it must be evaluated in terms of our present commitments.

The defense program submitted last January was the result of an exhaustive examination of all the programs of the Federal Government. At that time, painstaking consideration was given to our requirements for national security and the effect of large military expenditures upon our economy. Our objective was to plan a defense structure which could both meet our security needs and be supported by the country without imposing too great a strain on the domestic economy. Careful account also was taken of this Nation's position in the world. Since the end of World War II, we have been devoting a substantial portion of our resources to the development of a peaceful and stable world through economic assistance to other free nations. Our aid has been a major contribution toward world stability and has been instrumental in lessening world tension. However, my recommendations recognized the fact that, under existing international conditions, a relatively high

level of military preparedness must be maintained for a number of years to come.

Our defense program thus represented a balance between security needs in the light of our foreign policy and the economic and fiscal problems facing us domestically.

In the 1950 budget, emphasis was given to air power and the procurement of newly developed weapons with which to reequip and modernize our military forces. Similar emphasis was given to research and development, to industrial mobilization, to reserve forces, and to the integration of operations within the three services. The defense program was designed to be flexible, not rigid. It was drawn up so that changes in the international situation, in technology, and in the domestic economy could be reflected in our defense preparations.

Action at this time by the Congress in increasing authorizations for the Air Force by over $615,000,000 could have a serious effect on our ability to maintain balanced military forces in subsequent years. Although these increased authorizations would have comparatively little effect upon military expenditures in the current fiscal year, the fact that they are largely for the procurement of aircraft would have a serious effect on expenditures in the future. As additional aircraft authorized by this act were delivered, we should have to make corresponding provisions for additional personnel to man them, for higher maintenance and operating costs, and for greater replacement costs. The present authorization for increased procurement would thus be merely the first step in an expanding program which would have to be supported by greatly increased appropriations in future years.

Furthermore, the programs provided in the budget were based on national defense plans in which our air, naval, and land forces were planned and operated under a unified strategic concept. Expansion of one service beyond the planned level would require the reevaluation of that concept. To build up the strength of the other services so that they could complement and support an expanded Air Force would require additional very large appropriations.

It is obviously impossible for the Department of Defense to plan and operate efficiently if there are to be widely fluctuating appropriations and programs. Rapid contractions or expansions inevitably result in confusion and waste.

Increasing the structure of the Air Force above that recommended in the 1950 budget would be inconsistent with a realistic and balanced security program which we can support in peacetime and would interfere with orderly planning for the three services based on a unified strategic concept.

I am therefore directing the Secretary of Defense to place in reserve the amounts provided by the Congress in H.R. 4146 for increasing the structure of the Air Force.

NOTE: As enacted, H.R. 4146 is Public Law 434 (63 Stat. 987).

245 Memorandum of Disapproval of Bill Relating to the San Luis Valley Project, Colorado. *October 29, 1949*

I AM withholding my approval from S. 1385, a bill providing that the excess-land provisions of the Federal reclamation laws shall not apply to lands that will receive a supplemental water supply from the San Luis Valley project, Colorado.

Under the excess-land provisions of the Federal reclamation laws, water from a Federal reclamation project may be supplied to any one landowner, on a permanent basis, for not to exceed 160 acres of irrigable land within the project. Where the land is held in community or joint ownership by a husband and wife, water may be furnished for as much as 320 acres. The enrolled bill would increase the basic limitation, insofar as lands within the San Luis Valley project are concerned, from 160 acres to 480 acres. This change would have the effect of increasing the husband-and-wife limitation, for lands within that project, from 320 acres to 960 acres.

One great objective of the Federal reclamation program is to foster the establishment and maintenance of farm homes throughout those portions of our country where agricultural operations cannot rely solely upon nature for a water supply. The excess-land provisions of the law provide the legal mechanism for assuring that the benefits of the irrigation systems will inure to family-size farming enterprises. This is true whether the purpose of the particular project is to open up new land for settlement by providing an original water supply, or to stabilize an existing irrigation economy as in the case of the San Luis Valley project. In the absence of requirements designed to channel the water to those who are striving to build or conserve farm homes for their families, the heavy investments of interest-free funds being made for the reclamation program would lose much of their justification.

The San Luis Valley project, when completed, will provide a supplemental supply of water for approximately 500,000 acres. The only unit of the San Luis Valley project planned for construction at the present time is the Conejos division. The great bulk of the 86,000 acres that would be served by this division is already held in farm units that comply with the excess-land provisions of the Federal reclamation laws. Most of these existing farm units will be fully capable of supporting a farm family at an acceptable standard of living, once a regulated water supply is made available. On the other hand, approximately 24,000 acres of land within the Conejos division are of such quality, considering the comparatively short growing season of the region, as to make questionable their capacity to provide satisfactory family livelihoods if the farming operations must be in units meeting the present limitations. The enrolled bill, however, is not restricted to these 24,000 acres, or to the Conejos division, but would apply to the San Luis Valley project as a whole. In striving to meet the problems of a small part of the area, it would relax the existing acreage limitations for a much larger block of lands where adequate family-size farms can be maintained within these limitations.

It does not seem to me to be desirable or necessary to enact a bill of this sweeping character in order to achieve whatever corrective action may be needed to adapt the principle of aiding family-size farms to the particular conditions of the San Luis Valley project. It will be at least two years before the construction work on the Conejos division is completed. In the meantime, I hope that the Congress will consider legislation amending the excess-land provisions of the reclamation laws so as to authorize appropriate adjustments in maximum acreages, where necessary, under carefully-worked out standards, which could be applied not only to the San Luis Valley project, but also to other projects in which some adjustment may be warranted. Such legislation would

seem to me to provide the proper way to meet special and unique situations, such as those in the San Luis Valley, without doing violence to the basic and often re-affirmed principle of maintaining the family-size farm on reclamation projects.

HARRY S. TRUMAN

246 Radio Address as Part of the Program "Religion in American Life." *October* 30, 1949

[Broadcast from the White House at 11:25 p.m.]

Fellow citizens:

The United States has been a deeply religious Nation from its earliest beginnings. The need which the founders of our country felt—the need to be free to worship God, each man in his own way—was one of the strongest impulses that brought men from Europe to the New World. As the pioneers carved a civilization from the forest, they set a pattern which has lasted to our time. First, they built homes and then, knowing the need for religion in their daily lives, they built churches. When the United States was established, its coins bore witness to the American faith in a benevolent deity. The motto then was "In God We Trust." That is still our motto and we, as a people, still place our firm trust in God.

Building on this foundation of faith, the United States has grown from a small country in the wilderness to a position of great strength and great responsibility among the family of nations. Other countries look today to the United States for leadership in the ways of peace, and it is our task to meet that challenge.

I am convinced that we are strong enough to meet the challenge. We are strong enough because we have a profound religious faith. The basic source of our strength as a nation is spiritual. We believe in the dignity of man. We believe that he is created in the image of God, who is the Father of us all.

It is this faith that makes us determined that every citizen in our own land shall have an equal right and an equal opportunity to grow in wisdom and in stature, and to play his part in the affairs of our Nation.

It is this faith that makes us respect the right of men everywhere to worship as they please and to live their own lives free from the fear of tyranny and strife.

It is this faith that inspires us to work for a world in which life will be more worthwhile—a world of tolerance, unselfishness, and brotherhood—a world that lives according to the precepts of the Sermon on the Mount.

I believe that every problem in the world today could be solved if men would only live by the principles of the ancient prophets and the Sermon on the Mount.

Each one of us can do his part by a renewed devotion to his religion. If there is any danger to the religious life of our Nation, it lies in our taking our religious heritage too much for granted. Religion is not a static thing. It exists not in buildings, but in the minds and hearts of our people.

Religion is like freedom. We cannot take it for granted. Man—to be free—must work at it. And man—to be truly religious—must work at that, too. Unless men live by their faith, and practice that faith in their daily lives, religion cannot be a living force in the world today.

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That is why each of us has a duty to participate—*actively*—in the religious life of his community and to support generously his own religious institutions.

Just as an active faith sustained and guided the pioneers in conquering the wilderness, so today an active faith will sustain and guide us as we work for a just peace, freedom for all, and a world where human life is truly held sacred.

Religious faith and religious work must be our reliance as we strive to fulfill our destiny in the world.

NOTE: The President spoke at 11:25 p.m. from the Projection Room at the White House, following an introduction by Charles E. Wilson, president of the General Electric Company, who served as chairman of the nationwide, interfaith campaign, "Religion in American Life." The campaign ran from November 1–24, 1949.

247 Memorandum of Disapproval of Bill To Authorize Payments for the Purchase of Automobiles by Certain Disabled Veterans. *October* 31, 1949

I HAVE withheld my approval of S. 2115, "To authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes."

The purpose of the enactment is to authorize the payment of not to exceed $1,600 on the purchase price of an automobile or other conveyance for any veteran of World War I or World War II entitled to compensation under laws administered by the Veterans' Administration for the loss, or loss of use, of one or both hands or feet or for defective vision to a prescribed degree.

The First Supplemental Appropriation Act, 1947, granted a similar benefit for each World War II veteran entitled to compensation for loss, or loss of use, of one or both legs, at or above the ankle, with the requirement that the veteran be qualified to operate the conveyance. This authority was extended and most of the eligible World War II veterans with leg disabilities have already qualified for a conveyance under that law. Hence, the primary effect of the present proposal on World War II veterans would be to grant a vehicle to those with service-connected disabilities of the upper extremities and to those with seriously impaired vision. It would also qualify World War I veterans for this benefit for the first time.

Any provision that will assist those veterans who have suffered the most severe disabilities as a result of their service naturally commands, and should command, our most sympathetic consideration. However, we should not lose sight of the basic purpose in fulfilling our primary obligation to veterans disabled in the service, which is not only to give them timely help to surmount the physical and economic handicaps of their disability, but at the same time to preserve and stress the underlying objective of assisting them to be as nearly as possible self-reliant and self-sustained members of society.

A comprehensive program has already been adopted by the Government which is based squarely upon the policy of directly assisting the disabled veteran to the maximum extent possible in overcoming his service disability. This consists of medical and hospital care, prosthetic appliances, vocational rehabilitation training, waiver of insurance premiums during continuous total

disability, and liberal rates of monthly compensation, including additional amounts for dependents in severe cases. Blind veterans may be provided with guide dogs and electrical or mechanical equipment designed specifically to aid them in overcoming their physical handicaps. Moreover, special increased rates of compensation are provided for those with certain specific disabilities, such as loss of one or both hands or feet or blindness. At the present time, the veterans who would be benefited by S. 2115 receive monthly compensation payments ranging from $97 to $360, with, in most instances, extra amounts depending on the number of their dependents. This is, of course, in addition to the medical and other services which they receive. Within the last month I have approved legislation, effective December 1, 1949, to provide a minimum 8.7 per cent increase in basic compensation rates for disabled veterans. This increase will benefit those veterans receiving compensation on the basis of the degree of their disability, which includes the great majority of those who would be benefited by the present proposal.

This proposal would now add to the presently available, sound rehabilitative measures the one-time gift of an automobile or other conveyance based on the fact that the veteran had lost one or both hands or his vision in the service. The original program of automobiles for disabled veterans was intended to provide timely rehabilitative assistance to help those veterans readjust to civilian life. It was limited to veterans of World War II entitled to compensation for the loss, or loss of use, of one or both legs at or above the ankle, who were personally able to operate automobiles. The cars were intended to serve the purpose of additional prosthetic appliances for the direct use of veterans whose mobility had been impaired by injury or loss of lower limbs. Under S. 2115, the factor of mobility would be largely disregarded. Certainly, the gift of an automobile to a blind veteran who has no one to drive it for him is, in no sense, a prosthetic appliance. Nor is an automobile necessary for the rehabilitation of each and every veteran who has lost one or both hands. S. 2115 would abandon the principle upon which the original program was based. If we abandon sound principles of rehabilitation, it is not clear how or where we can stop this progressive expansion of the granting of automobiles short of providing one for every disabled veteran.

The practice of making gifts of special non-monetary benefits, such as automobiles, to a particular group of disabled veterans, leads both to serious inequity and to abuse. Under S. 2115, for example, a veteran who has suffered the loss of a hand and who may be rated as 60 per cent or 70 per cent disabled would receive an automobile, though his mobility may be impaired only slightly, if at all. At the same time, a much larger number of veterans rated as high as 100 per cent disabled, but without the specific disabilities covered by this proposal, will not receive automobiles. These instances of discrimination would not be isolated cases. This bill would create wholesale inequities. Of the estimated 9780 additional World War II veterans who could become eligible for free automobiles under this bill, the best available data indicate that 40 per cent or 3900 would be cases rated as disabled 70 per cent or less. Only about 2700 of those to receive this benefit would be rated as 100 per cent disabled. On the other hand, there would be over 65,000 World War II veterans on the rolls of the Veterans' Administration receiving compensation for 100 per cent disability who would be completely excluded. The situation with respect to World War I veterans would also be similar. This bill would

qualify an estimated 5700 veterans of various degrees of disability but would exclude over 25,000 World War I veterans who are rated 100 per cent disabled. It seems obvious that inequities are bound to arise when specific gifts are made without references to a distinctive need which is both substantial and urgent to those concerned. The step-by-step distribution of such gifts to wider and wider groups of veterans would destroy the delicately balanced disability compensation structure which has been worked out through the years.

In addition to the inequities mentioned, this measure would lead to abuses. Many of the veterans eligible under this proposal are unable to drive an automobile, and some of these may have no one to drive for them. Yet, such veterans may have a legitimate need for some other aids or conveniences suitable to their own individual cases. Their only recourse will be to apply for and receive the automobiles and immediately sell them. It is surely unsound public policy to give a special group of veterans special gifts so poorly fitted to their requirements that many will be forced to sell them in order to use the proceeds for purposes better suited to their needs.

When we move beyond the provision of individually fitted prosthetic appliances for disabled veterans into the field of compensation, the sound and equitable method of meeting the needs of disabled veterans is through the provision of a carefully considered scale of compensation rates paid in cash on a monthly basis. This is our long-tested practice from which I believe we should not depart.

Accordingly, I am compelled to withhold approval of S. 2115.

HARRY S. TRUMAN

248 Statement by the President Upon Signing Bill Providing Hospital Care for Indian Patients in New Mexico. *October* 31, 1949

I HAVE today signed S. 2404, a bill that authorizes an appropriation of $1,500,000 for the purpose of cooperating with the county of Bernalillo, State of New Mexico, in the construction at Albuquerque of a general hospital which will provide and make available when required not less than 100 beds for Indian patients, in addition to facilities which will be available to other patients. This measure also provides that, pursuant to a prescribed formula, the Federal Government will reimburse the hospital for treatment accorded Indian patients.

I wish to express my full approval of the basic objective of this legislation, which is to encourage the integration of hospital facilities for the care of Indians and non-Indians in the same community.

I regret that in the last days of the recent session the Congress saw fit to delete from the bill, without discussion on the floor of either House, the meritorious provisions which would have guaranteed complete protection for Indian patients against possible future discriminatory practices. I am informed, however, that the Department of the Interior, in administering the funds authorized by this measure, will be able to make adequate contractual provisions guaranteeing fair and equal treatment to Indian patients. Likewise, assurances have been received from county officials to the effect that no forms of

discrimination or segregated services were ever intended, nor will they be permitted, in the operation or maintenance of the hospital. Moreover, I am advised that at a recent meeting the All-Pueblo Council, representing most of the Indians directly affected by this legislation, voted to recommend favorable action on this bill in its present form.

With these assurances in mind, I have given my approval to this measure, fully confident that in accomplishing the desirable objectives of this legislation, fair and equal treatment will be accorded all patients of the hospital.

NOTE: As enacted, S. 2404 is Public Law 438 (63 Stat. 1049).

249 Remarks to the American Society of Civil Engineers. *November 2, 1949*

General Fleming, members of the American Society of Civil Engineers, ladies and gentlemen:

I am most happy to be with you this morning. I am a great admirer of engineers. My political career started on its way upward with a couple of good engineers. I was in the road business out in Jackson County, Mo., and I got a bipartisan board of engineers—spent a lot of millions out there—and stayed out of jail.

I see another engineer, sitting right down here in front of me, who was with me on city planning and county planning projects in the great State of Missouri, and a general planning program for the whole State. I think it's still working, because he's still in the State.

And another experience with an engineer, too. You have to watch him! I was sitting down a day or two after the election next to General Fleming here, and he leaned over and said to me, "Mr. President, I am going to do something to you that the Republicans couldn't. I am going to move you out of the White House." And he did!

I have got another one of your former presidents of this organization who, I hope, is going to move me back! At least, he is a member of the commission that is rehabilitating the White House. And with Mr. Dougherty on that board, and his associate Mr. Orr, and a couple of good Senators and a couple of good Congressmen, we ought at least to get a House over there that will stand up long enough for me to finish my term.

I am interested in a great many things in which you are interested. I think that the contribution that you gentlemen make to the welfare of this great Nation, and that you can make to the welfare of the world, should be a very great satisfaction to you.

Nearly every operation of the Government of the United States, at one stage or another, requires engineering skill and knowledge. That is true of every item except State, and the legal end of the Government. And sometimes they need engineers for expert purposes, even in the legal end. And if I have my way, the Department of State will get some engineers before we get through.

I think the development of this country, its rivers, its harbors, its highways, its railways, its irrigation and reclamation projects—every one of the things that has contributed to making this great country—has had some great engineer in connection with its construction. That is a wonderful

thing, when you gentlemen and ladies stop to contemplate it.

You remember that way back in—oh, I guess it was in 1803—when Thomas Jefferson first took over the Louisiana Purchase, we had gentlemen in Congress who raised just as much fuss about that as some of them are raising about the Marshall plan now. And it sounds almost exactly like the same sort of speeches. Yet I don't think anybody in this audience would agree to give the Louisiana Purchase back to France. I don't think you could begin to think of doing anything of that sort.

The development of this great Nation was brought about by vision, and by planning.

I will say this to you, we haven't done enough planning.

There isn't a city in the United States that was properly planned to begin with. I know of only one whose streets were laid out in anticipation of the automobile and that is Salt Lake City, Utah. The old man that laid out that city really had vision—in more ways than one.

My own home county is badly in need of planning. I made the effort to start it some 20 years ago, and did get a start on it, but it is not complete—and it never is complete.

I was a great admirer of old D. H. Burnham of Chicago, who organized the Chicago regional planning, and he had a motto over his mantel on which was written "Make No Little Plans." You can always amend a big plan, but you never can expand a little one. I hope that is the motto of the American Society of Civil Engineers.

I don't believe in little plans. I believe in plans big enough to meet a situation which we can't possibly foresee now.

If you will remember, back in 1900 we had about 75 million people. In the 1930's we had about 125 million people. Next year's census will show over 150 million people. And now it is our business to anticipate at least a population of 300 million, maybe in the next 100 or 150 years. Maybe it won't take that long.

I have a report of an engineer, down in the Appropriations Committee of the United States Senate, in which it was stated that if a bridge could be built in St. Louis over the Mississippi River, St. Louis now being a thriving village of 300, it was absolutely certain that in 50 years St. Louis would have at least 1500 people. Well, they built that bridge and St. Louis has got a million people in it. The engineer didn't quite have his sights high enough. You can't get them too high.

And I have another proposition which I am vitally interested in, and that is this so-called point 4 proposition in the Message on the State of the Union which I delivered to the Congress and to the people last January the 20th—a message which it was anticipated in most circles that I would not deliver.

At any rate, the idea is one for the development of the resources of the world for the benefit of the population of the world, and not for its exploitation. The idea is to furnish technological information, and the know-how to do it.

And I think this great Nation of ours is more nearly equipped to do that sort of job than any other nation in the world.

There is a struggle now going on between two ideologies. One of those ideologies is backed by a moral code, and one is backed by no moral code.

My ambition is to show that that ideology backed by a moral code can do the best for the people of the world. I am just as sure of that as I stand here.

And I hope that all the engineers of this great United States of ours, and all the other great technical men—the architects, the

physicians—everybody who has a special skill for the welfare of humanity, will inform himself on just exactly what I mean by point 4.

It will mean: if we can make a contribution in the know-how, and raise the standard of living just 2 percent of the rest of the world, our factories and our businesses never could catch up with the demand that would be on them. Just think of that! That's all we need to do. It is not beyond the bounds of possibility. There are resources in this great world that never have been touched. There are resources in Africa, in South America, in Asia—the most wonderful resources that the world can produce.

And if those resources produce things for the welfare of the people of the world, to keep the world from being hungry, then no one would have any idea of carrying on a destructive war for the purpose of obtaining something that didn't belong to them. That's what the cause of wars has been. It has been the idea of grasping something that the other fellow has.

Now, let's try to make the other fellow as contented as we can be, by helping him develop his resources for his own welfare and benefit. And when he does that, he is going to need so many things that we can produce to give to him, that we never will catch up with the demand.

I hope you have a most successful meeting here. I am sure you will have. And I hope that you will begin to think about worldwide plans, citywide plans, countywide plans, Statewide plans, and plans for the great United States of America, and plans for the whole world that will make everybody in it happy and contented.

Thank you very much.

NOTE: The President spoke at 11 a.m. at the Statler Hotel in Washington. His opening words referred to Maj. Gen. Philip B. Fleming, Chairman of the United States Maritime Commission, and a member of the American Society of Civil Engineers. He later referred to the Commission on the Renovation of the Executive Mansion and its members: Senator Kenneth D. McKellar, Senator Edward Martin, Representative J. Harry McGregor, Representative Louis C. Rabaut, Richard E. Dougherty, and Douglas W. Orr.

250 Remarks and Address in St. Paul as Part of Minnesota's Truman Day Celebration. *November* 3, 1949

[1.] AT THE RECEPTION (Hotel Lowry, 4:40 p.m.)

Thank you very much, Mr. Chairman.

There are certain limitations to the things that we would like to do. I can't tell you how very much I appreciated the most cordial welcome which I received today in Minneapolis and St. Paul.

If I could possibly do it, I would be willing to stand here and greet everybody who wants to greet me, but I am here for a specific purpose. I am supposed to go to—I suppose I am going to be fed around 6 o'clock; at least I am laboring under that impression—and then I will have to go to a meeting and discuss in a nonpolitical way some of the issues that are before the country.

Therefore, it is just physically impossible for me to stand here and shake hands with a couple of thousand people and get around and do what you expect me to do.

You know, radio time doesn't wait. That is one of the great contributions that radio time has made to this great country, and that is promptness. That is one thing that I believe in. When a man makes an appointment and comes to it late, he is as dis-

courteous as he can be to the person with whom he made the appointment. People who make an appointment with me are prompt, and so am I.

I want to say to you that I hope you will join with me on *this* handshake for the whole crowd here, and let me go and do what I have to do to finish off the evening for this grand day in Minnesota.

I am just as happy as I can be to be here at this 100th anniversary celebration. I have enjoyed every minute of it, and I expect to continue to enjoy every minute of it until I go out of the State tonight.

Thank you very much.

[2.] AT THE DINNER (Hotel Lowry, 8:05 p.m.)

Mr. Chairman, Governor Youngdahl, Mr. Mayor of St. Paul and Mr. Mayor of Minneapolis, Senator from Minnesota, and distinguished guests:

It is a very great pleasure to me indeed to be here, and to have such a cordial reception. I appreciated most highly that Kansas City steak prepared in St. Paul. Quite thoughtful of you, coming from Missouri.

I want to thank the orchestra for playing the Song of Missouri, which was adopted by the legislature as the State song of Missouri—the Missouri Waltz. They played it beautifully. I am glad I didn't attempt to stand up, though, because they played every note in it, and I wouldn't have gotten any dinner.

I want to say that I think your Governor is a wonderful sport to come to this bipartisan dinner. I have an idea that when we finally get through, we will eventually make a Democrat out of him.

I also want to say to you that your able and distinguished Senator and your able and distinguished Congressman here are great representatives of the great State of Minnesota. They are making every effort possible to carry out the provisions of the Democratic Platform of 1948. And that is my theory of government, and I appreciate the support of these two able gentlemen.

It has been a very pleasant day for me. I don't know when I have enjoyed myself more completely or more thoroughly. This has been a grand reception from beginning to end, and its bipartisan nature pleased me immensely. I shall try to continue that bipartisan approach, and try to make the day come off as I hope you want it to come off, as a successful one, for the celebration of the 100th anniversary of the city of St. Paul, and the 100th year from the time that Minnesota became a territory of the United States.

I was reading an article in the St. Paul Pioneer Press in which it was stated that the assessed valuation of the great territory of Minnesota in 1849 was $840,000, or some such figure as that. I have a notion now that the assessed valuation of the great State of Minnesota is at least a hundred times that, or somewhere in that neighborhood. And yet there were people in that day that said the land west of the Mississippi River was not worth saving, that people should be barred from coming in here. I will tell you more about that tonight, and I will furnish you the verse and the chapter, if you want to read it. Most interesting—most interesting!

But I do hope that you will understand that this has been a most pleasant day for your President and your neighbor from Missouri. I enjoyed it from the beginning to the end.

The only difficulty now, with which I am faced, is the fact that I will have to deliver

an address of a bipartisan nature which will be entirely satisfactory to the Democrats in Minnesota.

Thank you very much.

[3.] ADDRESS (Auditorium, 9:30 p.m.)

Mr. Chairman, Governor Youngdahl, Senator Humphrey, Mayor Delaney, distinguished guests, ladies and gentlemen:

I hope I haven't left anybody out!

This has been one of the most magnificent days I have ever spent. I don't think I have ever had a more cordial welcome anywhere in the United States than I have in Minneapolis and St. Paul today. I am grateful for that cordial welcome.

I remember that I also received a cordial welcome the last time I was here. That was on October 13, 1948. That meant more to me then, and means more to me now, than I will ever be able to tell you. That was quite a time, you know, the 13th of last October. Didn't anybody think I would be back here addressing you within 1 year from that election day as President of the United States. But, here I am!

I understand that this has been designated as "Truman Day" in Minnesota. That is a very high compliment. I appreciate it very deeply. And I haven't forgotten that last November the people of Minnesota, in a somewhat different fashion, made another day "Truman Day." I also appreciate that very much.

This is one of the reasons—and just one of many—why I have a strong feeling of friendship for the people of Minnesota.

I am very happy that you have asked me to come and participate in this celebration of the 100th anniversary of the creation of Minnesota as a territory of the United States. This is an important anniversary. It is always good for us to remember the events that marked our early history as a Nation.

As you all know, Minnesota, for the most part, was carved out of the territory acquired by the United States through the Louisiana Purchase in 1803. In fact, 13 States were formed in whole or in part from the territory acquired through the Louisiana Purchase. My own State of Missouri is one of those States. The Louisiana Purchase opened up the whole area west of the Mississippi River for eventual settlement and incorporation into this great Republic of ours.

The story of the Louisiana Purchase is more than just a schoolbook history. It is a story that is filled with significance for all Americans today.

In 1803, Thomas Jefferson, who was then President, sent representatives to France who agreed to buy the Louisiana territory from Napoleon Bonaparte. They agreed that the United States would pay $15 million to France in return for an area of nearly a million square miles. Think of that!—$15 a square mile for the richest part of the whole globe.

It is hard for us to believe today, but there was a storm of protest over this transaction. Members of the opposition party were against it, and they dragged in all kinds of arguments in their attempts to stop it. They maintained that President Jefferson had no power to make such an agreement. They claimed that it was unconstitutional. They said that this new territory would bring in a lot of undesirable people. I wish they could look at us now! They said that there could never be anything in common between the men of the wilderness west of the Mississippi and the citizens of the Atlantic coast. Some of them back there still believe that! They said the United States would fall apart.

Jefferson's opponents contended that the

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Louisiana Purchase would ruin the country, that we would need a large standing army to protect the new area, and that our democratic institutions would be undermined and destroyed. They said that $15 million was too much money, that it would greatly increase the national debt, and that it would be years before it could be paid off.

Furthermore—and this is what really worried them—they protested that the Eastern States would lose their political power.

Now, all this was typical of the standpatters and the reactionaries who are always telling us that things can't be done. They scrape up every argument under the sun to try to stop anything new—any change in things as they are—anything they think might disturb their own vested interests.

But in spite of all this clamor, Jefferson went right ahead. He and the members of his party foresaw that the United States was an expanding country, that it was going to grow indefinitely, and that it needed the land west of the Mississippi River. They knew, too, that the sum of $15 million, although it looked big at the time—it would be small change now—would prove to be insignificant compared with the benefits of doubling the size of the Nation. They believed that the increase in the prosperity of the United States, the growth of its trade and industry, would enable the Government to pay off this additional debt without difficulty—and they were right.

Today, we can look back on the opposition to the Louisiana Purchase and laugh. We wonder how men could have been so blind as to oppose this great step forward.

Do you know what one of the reactionaries of that day said? He stood up on the floor of the Congress and not only opposed the incorporation of the Louisiana territory into the Union, but he actually urged that citizens of the United States be prohibited from ever settling west of the Mississippi River.

Now, that is a most important statement from a United States Senator, and his name was Senator Samuel White of Delaware. And this is from the Congressional Record—this is what he said—this is most interesting—he said—and I quote:

"We have already territory enough, and when I contemplate the evils that may arise to these States from this intended incorporation of Louisiana into the Union, I would rather see it given to France, to Spain, or to any other nation on earth, upon the mere condition that no citizen of the United States should ever settle within its limits, than to see a territory sold for a hundred million dollars and we retain the sovereignty." He was a great reactionary of his day. He was a United States Senator from Delaware.

Why did the reactionaries of Jefferson's time raise these ridiculous objections to the Louisiana Purchase? I will try to tell you why.

In the first place, they had very little imagination and very little faith in the future of this country. They simply could not believe that the American people would ever be able to settle that whole area and create cities, industries, and farms there.

There were other reasons, too. Those reactionaries were themselves comfortably situated. They were well-to-do men. They were prominent in the big business of those times. They were influential in politics. They were well satisfied with their own position in life, and they did not want anything done that might disturb their advantages. They thought more of the threat to their power, and of the inconvenience to themselves in having to pay taxes for the Louisiana Purchase, than they did of the benefit to millions of Americans in having new lands

to settle. They thought more of their own selfish welfare than they did of the general welfare of the whole Nation.

Consequently, they raised all these objections, and even went so far as to say that our whole system of government was being undermined.

The reactionaries of Jefferson's time were exactly like the reactionaries of today. Whenever there is a new proposal to promote the general welfare, we always hear the same sort of arguments—from the same sort of people—for the same sort of reasons.

But the propaganda of the reactionaries did not prevail in the case of the Louisiana Purchase. If it had, this country would not be what it is today. If it had, the State of Minnesota—and Missouri, too—would not even exist.

That kind of propaganda did not prevail then, and it will not prevail today.

The people of the United States know the way to progress. If the people have the true facts—and eventually they always get the true facts—no one can hold them back for very long.

Today, of course, we are no longer concerned with expanding the territory of the United States. We are concerned with expanding our economy and the opportunities of our people. We are concerned with increasing our agricultural and industrial production, and our standards of living. Those are our great frontiers today. And the advances which we can make on those frontiers are just as important to the general welfare as the territorial advances we made in Jefferson's time.

We have, in fact, a whole new world before us, the world of increased opportunity and wider freedom that our new technology and increasing abundance make possible. We have set our faces toward the new world and we are going to make it a reality.

Our economic frontiers can be expanded only if we follow sound public policies. We must rely, as we have always relied, upon the spirit of initiative and free enterprise. But we know that it is necessary for the Government to follow policies that will make it possible for initiative and free enterprise to succeed. At the same time, there is wide disagreement on what specific measures the Government should adopt and for whose benefit.

The reactionaries hold that government policies should be designed for the special benefit of small groups of people who occupy positions of wealth and influence. Their theory seems to be that if these groups are prosperous, they will pass along some of their prosperity to the rest of us. This can be described as the "trickle down theory."

The vast majority of us reject that theory as totally wrong.

We know that there will be more prosperity for all if all groups have a fair share of the wealth of the country. We know that the country will achieve economic stability and progress only if the benefits of our production are widely distributed among all its citizens.

We believe that it is the Federal Government's obligation, under the Constitution, to promote the general welfare of all our people—and not just a privileged few.

The policies we advocate are based on these convictions.

We maintain that farmers, like businessmen, should receive a fair price for the products they sell.

We maintain that workers are entitled to good wages and to equality of bargaining power with their employers.

We believe that cooperatives and small business should have a fair opportunity to

achieve success, and should not be smothered by monopolies.

We hold that our great natural resources should be protected and developed for the benefit of all our people, and not exploited for private greed.

We believe that old people and the disabled should have an assured income to keep them from being dependent on charity.

We believe that families should have protection against loss of income resulting from accident, illness, or unemployment.

We hold that our citizens should have decent housing at prices they can afford to pay.

We believe in assuring educational opportunities for all our young people in order that we may have an enlightened citizenry.

We believe in better health and medical care for everyone—not for just a few.

We hold that all Americans are entitled to equal rights and equal opportunities under the law, and to equal participation in our national life, free from fear and discrimination.

Now, my friends, these are the policies that spell the progress for all our people. They are the best assurance of prosperity for everyone—including the very people who attack them most bitterly. These policies mean more democracy in this country, and not less. They mean more personal freedom for all Americans, and not less. They are our stanch shield against communism and against every other form of totalitarianism. They are the means by which we will achieve the better world we all seek.

Nevertheless, there are people who oppose these policies. There are people who are afraid of more democracy and greater freedom for all our citizens today, just as there were in Jefferson's time. There are people who contend that these programs for the general welfare will cost too much, just as the reactionaries in Jefferson's day contended that $15 million was too much to pay for a million square miles of new territory. They were wrong in Jefferson's time, and they are just as wrong today.

The expenditures which we make today for the education, health, and security of our citizens are investments in the future of our country, just as surely as the Louisiana Purchase was an investment in the future.

Expenditures which we make to develop our natural resources, to conserve our soil and our forests, and to make cheap electric power available to farms, homes, and factories, are equally good investments in the future of this great country.

The process of growth continues for us just as it did in Jefferson's day. If you think back over the last 20 years as they have affected your own community, you can see that this is true. You will think of the increase in population, of the new businesses that have been started, of the higher standards of living which you and your neighbors enjoy.

To keep pace with the growth of this country we need to make new investments in our own future—we need government policies that will contribute to the growth and progress of this great Nation—just as we needed new territory in the early days of our Republic.

I am not too much worried by those who oppose these policies. Between the reactionaries of the extreme left with their talk about revolution and class warfare, and the reactionaries of the extreme right with their hysterical cries of bankruptcy and despair, lies the way of progress. Between these two extremes, the main stream of American life rolls steadily onward toward a better world.

As we advance, we must expect constant efforts by the reactionaries to delay and ob-

struct our progress. Occasionally, they may be able to set us back—as they did in the 80th Congress.

The calamity of the 80th Congress fell upon us because too many people failed to vote in the congressional elections of 1946. But when the purposes and objectives of the 80th Congress became clear, the people turned it out. And I made a contribution to that. In November 1948 they elected a new Congress which has reversed the backward trend and has made substantial progress in many fields. Moreover, I am confident that the 81st Congress will accomplish a good deal more next year in its second session.

This is a direct result of the expression of the will of the people last November. I am certain that in 1950 the people will express themselves again, even more clearly, in favor of progress and against reaction.

I am sure of this because I know the people hold, in their hearts, a firm belief in the future growth and development of the United States. I know that the people understand the issues of today far better than most columnists or commentators, or the selfish interests with all their means of propaganda.

The people showed last fall where they stood on these issues. The policies which I now advocate—and which are being so bitterly attacked by reactionary elements—are the very same policies on which I campaigned last year from one end of this country to the other. I did my level best then to explain to the American people the policies which I support. No man—no matter how reactionary his views, or how much he may disagree with me—can honestly deny that the American people knew where I stood before the last election. And they know where I stand right now!

But, my friends, the reactionaries don't believe in election returns. When we undertake to go forward with the measures to achieve real security and real opportunity for all our citizens, the reactionaries are stirred to harsh and bitter criticism. And I thrive on it. They do not understand and they do not believe that these things can be done. They have too little imagination and too little faith in the future of their country and the powers of its people.

But the people know that these things can be done. They have seen similar progress made in their own lifetime. They have seen this Nation rescued from the brink of collapse and set on the road to greater security and greater prosperity. They know that the policy of working for the general welfare produces the best results.

The people will not go back to the day when their destinies were controlled by tight little groups of selfish men who made their policies in secret and exercised economic control over millions of people. They understand that a growing country like ours can provide increased prosperity and greater freedom for its citizens. They propose to see that that is done.

And with God's help it will be done.

NOTE: In the course of his remarks on November 3 the President referred to Thomas W. Walsh, general chairman of the Truman Day Celebration and chairman of the reception, Luther W. Youngdahl, Governor of Minnesota, Edward K. Delaney, Mayor of St. Paul, Eric G. Hoyer, Mayor of Minneapolis, Hubert H. Humphrey, Senator from Minnesota, and Orville L. Freeman, chairman of the meeting at the Auditorium and State Chairman of the Democratic-Farm-Labor Party.

The address was broadcast over the radio.

251 Radio Address as Part of a Program Sponsored by the Independent Citizens Committee for Lehman for Senator. *November* 5, 1949

[Broadcast from the White House at 8:53 p.m.]

I AM glad to appear on this program and to speak as a Democrat. I believe sincerely that the Democratic Party is the party of the people, and that its policies are in the interest of all Americans. I have never hesitated to urge people to vote the Democratic ticket in their own interest and in the interest of our Nation.

I believe that our political system functions best when it presents a clear-cut issue to the voters. This year, in the State of New York, the voters have a clear-cut issue before them. The decision they will make next Tuesday is important not only to them but to all the people of the United States and to the whole world.

The main issue before the voters of New York State is whether or not they will have a United States Senator who will work to promote the general welfare of the people.

It is important to remember that this senatorial election is being held to fill the vacancy created by the retirement of one of the great humanitarian statesman of our time. The name of Senator Robert F. Wagner is known throughout our country for his great achievements in labor and welfare legislation—in housing, in health, and in social security—achievements which have helped to make this country the most progressive and the most powerful democratic Nation of all time. I hope that New York will again be represented in the United States Senate by a man who will carry on that tradtion of working for the welfare of all the people.

Governor Lehman will carry on that great tradition. He is a man worthy to take Senator Wagner's place. The people of New York know his record as a just, humane, and liberal chief executive. As Governor, he fought for the same policies that Franklin D. Roosevelt fought for as President. I know that Governor Lehman, when he comes to the Senate, will work for the liberal policies which mean greater progress and a better life for the people of New York and of the whole country.

The office of Senator from New York is an important one. It should be filled by a man who will truly express the spirit of the people of New York. It should be filled by a man who believes in the progressive measures that brought New York to the forefront among our States in promoting the people's welfare. That office should not be filled by a man who would put a stop to the great advances in social legislation that have been pioneered by his own State.

Governor Lehman will bring to the Senate a constructive and progressive approach to domestic affairs. He will also bring wide personal experience and mature wisdom in the handling of our foreign relations. He knows at first hand the nature of our international problems.

As head of the greatest worldwide relief and rehabilitation effort in history, Governor Lehman proved himself an outstanding example of the best kind of international statesman and public servant. He has won universal respect and gratitude for his deep understanding of the problems that grew out of the war. Above all, he knows the value of peace. As a United States Senator

Herbert Lehman will strengthen our efforts to bring peace and prosperity to all mankind.

I am glad this program also gives me an opportunity to speak to the people of New York City, where important city elections are being held.

Mayor O'Dwyer has a fine record of distinguished service to the people both at home and abroad, in peace and in war. His reelection will assure the continuation of a progressive and efficient government for our Nation's largest city.

I hope that on November 8th the citizens of New York will vote for Herbert Lehman, William O'Dwyer, and the whole Democratic ticket.

NOTE: The President was introduced by Mrs. Franklin D. Roosevelt. The program was carried on a New York statewide broadcast.

Both Mr. Lehman and Mr. O'Dwyer were elected to the posts that they were seeking.

252 Remarks at the Women's National Democratic Club Dinner. *November* 8, 1949

Madam President, Madam Chairman, Mrs. Wilson, distinguished guests, and fellow Democrats:

It certainly is a most happy evening. This is, I think, one of the nicest gatherings I have ever attended. It is always a pleasure, of course, to meet with Democrats, and when we can meet with that section of the Democratic Party, the Women's Democratic Club, that makes among the greatest contributions to Democratic victory, it is more than a pleasure.

I am very certain that every woman in the great State of New York has been doing her duty today, as a result of those returns. That means she has made the old man go to the polls, and she has gone herself and voted. That is really what counts.

You know, the people of this great Nation of ours are not always appreciative of their privileges. They neglect the very thing that gives them the liberties which we all enjoy. They do not, when they have the opportunity, exercise the right to vote.

We must try—and the women of this country are trying—to instill into all the people the necessity for exercising that duty and that privilege under the Constitution of the United States, which gives you the right to vote.

If you didn't have that right, you would be marching up and down in front of the White House with banners, saying, "Votes for Women—Votes for Women—Votes for Women."

Now you have the right, yet only about 50 percent of us vote. I will tell you that 2 percent more women vote than the men, and if we don't look out—if we don't look out!—we will probably have a feminine government some day. I don't think the country would be any worse off, do you?

I am exceedingly happy if the New York Times and the New York Daily News are correct, that we have won a victory in New York—which will have a very decided effect on the elections in 1950.

When we win that sort of victory, in a year such as this, we assume a much greater responsibility from now on than we have had in the past year.

We have had a tremendous responsibility thrust upon the Democratic Party as the party of the people on account of the elections in 1948—as I have to reiterate time and again, a surprise election to a lot of people.

But the Democratic platform set out certain things which it is our duty to try to accomplish. And I want to say to you that the first session of the 81st Congress did a remarkable job, and the second session of the 81st Congress is going to do a better job, as a result of these elections today.

And I am more than convinced that the Democratic Party, the party of the people, will continue to do that job for the welfare of this Nation, and for the welfare of the world.

We have two great objects, as set out in the Democratic platform: that is the welfare and the prosperity of the United States of America, and the welfare and the prosperity of the world as a whole.

Back in 1918—1917 and 1918—that great President, Woodrow Wilson, had a vision of a world association of nations that would spend its time working out the differences between nations to keep peace in the world. His own country did not support him in that, and we had to fight another world war as a result of that situation to find out what our duty in the world is.

I told that great statesman, the Prime Minister of India, the other day, when he paid me an official visit, a few things about the United States of America. He was telling me that India had been a colony and that India had been made an independent commonwealth, and that they would have tremendous difficulties. And I reminded him that the United States of America had been a colony under the same government under which India had been a colony, and that we had spent 80 years trying to find out what we really wanted to do, and we finally had to whip ourselves before we found out what we wanted to do at home; and then we had to fight two world wars to find out what we ought to do in the world—and I sincerely hoped that India would not have to go through with that sort of program before India arrived at its place in the world. And I am sure that India will not have to go through that sort of program. And I am sure that India will arrive at its place in the world without having to fight two world wars.

What we want now, more than anything else, is peace in the world. We are going to get that peace. I am just as sure as I stand here that we will get that peace in the world, for the simple reason that we are beginning to find out that there are enough of the good things in life in the world for every man, woman, and child in the world to have his fair share of those good things.

And that is what we are working for. We are going to work for that situation to take place in the United States, and we are approaching it closer and closer every day and every year. And the Democratic Party is the backbone of that program. I am just as sure as I stand here that we will work out a situation in the world as a whole, so that the world will live at peace.

Everybody has been discussing point 4 of the inaugural address of January the 20th—which a great many people thought I would not deliver. Now, that point 4 is just as simple as this: there are resources in the world which, if properly developed for the welfare of the people in which those resources are situated, will contribute not only to the welfare of the people of those countries but to the welfare of all their neighbors, and all the rest of the world.

We are somewhat famous for the technical knowledge which we have been able to accumulate under this Republic of the United States. What I propose to do is to present to the peoples of the world that know-how, and that knowledge, for the development of the resources in these other great countries for the welfare and benefit of the inhabitants

of those countries, and not for their exploitation. That is what point 4 means.

We have immense stores of capital in this country. This country was developed by capital from France and Belgium, and Holland and Germany, and Great Britain. Nearly every great railroad in this country, to some extent, was financed by investments from one or the other of those countries. I know, because I made an investigation, when I was in the Senate, of the financial resources of all the railroads in the United States. Not only were those railroads financed, but many of our mining enterprises, and many of our other great enterprises were financed by foreign capital.

But when World War I came along, that capital invested in this country was spent in this country for munitions of war. And when World War II came along, the rest of those investments were spent by those countries trying to save themselves from dictatorship.

Now we on our side have been endeavoring, by the expenditure of certain funds, and the investment of certain funds which we call the Marshall plan, to revive those countries which exhausted themselves in the fight for liberty.

When we have done that, we will still have an immense well of uninvested capital in this United States which can be used, not by the Government of the United States but by the owners of that capital for the development of these immense resources in Asia, in Africa, in South America, in Australia, in Indonesia, and all the rest of the world which has resources inexhaustible.

I stand in my office and look at a globe which General Eisenhower gave me when I was in Frankfurt, on the way to Potsdam. That globe was the one he used to win the war in Europe. It is a great big thing, about that big [*indicating*]. And I turn that globe around so that all the trouble spots in the world are up, and I can look across the room and see what is going on—I hope I can see what is going on in the world.

I see immense undeveloped rivers and valleys all over the world that would make TVAs and Columbia Valley developments. I see untold resources in South America, in Canada, and in Africa. All it needs to get it into the markets of the world is somebody who knows the technical approach to their development.

The Euphrates and the Tigris Rivers can be brought back and turned again into the Garden of Eden. In the time of Nebuchadnezzar, that valley supported from 12 to 25 million people, all the time, in luxury—and can do it again. And that will make their neighbors rich. And they have the resources with which to make that development possible, if they are shown how to do it. I can name you place after place around this globe where that sort of situation exists. And that, my friends, when it is properly developed, means peace in the world, because most wars are fought for economic reasons, or because some country is overpopulated, or because some country wants some riches that some other country has.

If we follow through on the leadership and the support of the United Nations—which we are now doing—some time or other, I hope, before you are a great deal older, the light will break upon the world, and with the Lord's help we will have peace and proper development—for the welfare of all mankind everywhere on this earth.

Thank you.

NOTE: The President spoke at 9:20 p.m. at the Mayflower Hotel in Washington. His opening words referred to Mrs. Julien Friant, president of the Women's National Democratic Club, Mrs. Edward Megis, chairman of the dinner, and Mrs. Woodrow Wilson, widow of the former President. In the course of his remarks the President referred to Jawaharlal Nehru, Prime Minister of India.

253 The President's News Conference of *November* 10, 1949

THE PRESIDENT. [1.] Some of the boys up here in the front row are making fun of my certificate as an honorary airline transport pilot, with all ratings authorized. I was trying this morning to get volunteers for my first flight, and I couldn't get any. [*Laughter*]

Q. Get some Republicans, Mr. President!

Q. I'll go.

Charles G. Ross, Secretary to the President: May [1] says she'll go.

Q. What can I lose! [*Laughter*]

THE PRESIDENT. I am—if you want to ask questions, go ahead.

[2.] Q. Mr. President, there are persistent rumors that some thought is being given among some administration people to raise the price of gold as a means of reducing the national debt?

THE PRESIDENT. Categorically, no. As long as I am President of the United States, the value of gold is fixed.

[3.] Q. Mr. President, there is a printed rumor, I think in the United States News, that someone in Washington—this administration—is planning to increase the size of the Supreme Court again by two members, one Republican, one Democrat. Have you heard of that?

THE PRESIDENT. I wonder—I wonder who is trying to do that? I hadn't heard of it.

Q. The United States News publishes it, I think.

THE PRESIDENT. Oh, that's a very reliable sheet. [*Laughter*] But I have no authority for the publication.

Q. You don't know about that?

THE PRESIDENT. No.

[4.] Q. Mr. President, do you plan to name James Barker of Sears and Roebuck chairman of the Munitions Board?

THE PRESIDENT. Not that I know of.

Q. Do you have any other candidate?

THE PRESIDENT. No.

[5.] Q. Mr. President, there was an election this week. Do you have any comment about it?

THE PRESIDENT. I commented on that election, I think, very fully on the night of the Women's Democratic Club dinner. It was published in all the papers.

Q. Mr. President, in that connection, the word "mandate" is being batted around again. The day after election last fall, your friends said you had a mandate to do this and that, and your ill-wishers said you had no such mandate. Now that is being done again.

THE PRESIDENT. Well now——

Q. What do you feel about a mandate again?

THE PRESIDENT. ——do you use the word "mandate" in the manner in which it is used by the United Nations, or do you mean a local colloquialism?

Q. Local colloquialism.

THE PRESIDENT. The Democratic Platform sets out what the campaign was fixed on. When the Democrats win an election they have authority—call it a mandate, if you want to—from the people to carry out that Democratic Platform. That's all I am trying to do. I think this will make it easier to carry out the Democratic Platform.

[6.] Q. Mr. President, do you have any comment on the reports this week that you

[1] Mrs. May Craig of the Portland (Maine) Press Herald.

have sent a very strongly worded letter to Secretary Krug?

THE PRESIDENT. No, no comment. No comment.[2]

[7.] Q. Mr. President, there has been some talk out in St. Louis about the Jefferson River Park Memorial. Have you changed your attitude on that—completion of that project?

THE PRESIDENT. No, I have not. I was for that Jefferson Memorial project before it started, and I have been for it all along, and I am going to continue to be for it. I hope it will be finished sometime in the not too far distant future.

Q. Mr. President——

Q. Do you know about——

THE PRESIDENT. Pardon me—he didn't finish.

Q. Do you know about the details, as to what they are planning?

THE PRESIDENT. No. I know nothing about that.

[8.] Q. Mr. President, have you reached a decision yet on the plan advanced by Senator Green and Congressman McCormack to allocate ECA money for the purchase of textiles?

THE PRESIDENT. Purchase of what?

Q. Textiles—in this country, for sale to Germany and other——

THE PRESIDENT. Well, that's a matter for ECA. That's a matter for ECA to decide. That has been put up to ECA, not up to me.

[9.] Q. Mr. President, what effect will the election have on the future of John Foster Dulles in the nonpartisan——

THE PRESIDENT. I think you had rather put that question up to John Foster Dulles. He runs his own business. I am not running it for him. I didn't put him in the race for Senator.

Q. Is he likely to be reappointed as the delegate——

THE PRESIDENT. I have not given that any consideration.

Q. Mr. President, on that point, do you see any reason for modification of the bipartisan attitude on foreign policy?

THE PRESIDENT. Why certainly not. Of course there isn't any reason, except in Bertie McCormick's mind, or Hearst's. They are isolationists, if you remember.

[10.] Q. Mr. President, there has been some speculation in the Indian press about the possibility that the Premier of Pakistan, Liaquat Ali Khan, might be visiting this country?

THE PRESIDENT. It has been under consideration.

Q. It has been under consideration?

THE PRESIDENT. Yes.

[11.] Q. Mr. President, would you care to comment on the preview of the Austrian art exhibit?

THE PRESIDENT. I was very much impressed with it. I enjoyed the visit down there very much. And it's well worth seeing. I am advertising the art gallery now. I hope you will all go down and see the Hapsburg collection. It is well worth the visit.

[12.] Q. Mr. President, do you have any comment on Mr. Lewis sending his miners back to work, with the threat of another strike at the end of this month?

THE PRESIDENT. No comment. His picture is there, on the front page of the Post. Take a look at it! [*Laughter*]

[13.] Q. Mr. President, do you know whether there have been any further atomic explosions in the Soviet Union since the one that you reported?

THE PRESIDENT. There have not been, so far as I know.

[14.] Q. Mr. President, may I ask if you

[2] See Item 255.

think the steel and coal strikes would have been settled if they hadn't had Taft-Hartley hanging over them?

THE PRESIDENT. I can't answer that question. You will have to ask the heads of the steel companies and ask the negotiators for the unions. Maybe you can get an answer. I can't give you one.

[15.] Q. Mr. President, did your reply to my question about the Premier of Pakistan mean that you had actually given him——

THE PRESIDENT. No—no. I said it had been under consideration. The matter will be attended to by the Secretary of State in due course.

[16.] Q. Mr. President, do you have any reports by the State Department on the Mexican loan negotiations?

THE PRESIDENT. None.

Q. Are they still in progress?

THE PRESIDENT. I don't know. I suppose they are.

[17.] Q. Mr. President, could you tell us about your talk with Cardinal Dougherty yesterday?

THE PRESIDENT. The Cardinal paid a courtesy call on me. We discussed various matters in which we are both interested. Had a very pleasant visit with the Cardinal.

[18.] Q. Mr. President, do you believe it correct policy to stop dismantlement of the western part of Germany?

THE PRESIDENT. Stop what?

Q. Dismantlement?

THE PRESIDENT. That matter is under consideration by the foreign ministers in Europe, and I have no comment on it.

[19.] Q. Mr. President, the Bolivian Ambassador called on a special mission the other day. Did they invite you to visit Bolivia?

THE PRESIDENT. Yes, they always have invited me.

Q. Will you be able to accept?

THE PRESIDENT. I don't think so.

[20.] Q. Mr. President, is there any idea that out of the foreign ministers' meeting will come an approach to better relations with Russia?

THE PRESIDENT. I can't answer that question.

Q. Do you have a feeling, sir, that we will get anywhere with Russia?

THE PRESIDENT. I hope so. I hope so. I have always been hopeful in that direction.

Q. Do we have, sir, any mediums of getting together?

THE PRESIDENT. Regular diplomatic channels. Just the same as they have always been.

[21.] Q. Mr. President, in case of no settlement in coal, do you have any plans to try to keep the mines running after November 30th?

THE PRESIDENT. We will cross that bridge when we get to it.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's two hundred and fifth news conference was held in his office at the White House at 10:30 a.m. on Thursday, November 10, 1949.

254 Address at a Luncheon of the National Conference of Christians and Jews. *November* 11, 1949

Mr. President, Mr. Chairman, Mr. Chief Justice:

I congratulate the National Conference of Christians and Jews on another year of widespread and effective work in the cause of human brotherhood at home and

abroad. I assure you of my support and enthusiasm for your program for the coming year, and in particular, for your Brotherhood Week, which is to be held next February.

I know of no organization that renders greater service to the basic principles on which this country is founded than the National Conference of Christians and Jews. This country is founded upon an ideal—the ideal of the equality of men before God and under the law. On the basis of this ideal, we have created a Nation composed of people from many lands with many faiths and many beliefs. Here in this country men of different traditions and different faiths have worked together for the common good.

I have just come from the National Cemetery at Arlington, where I laid a wreath on the grave of an American hero. No American knows, no real American cares, whether that man was a Catholic, a Jew, or a Protestant, or what his origin and color were. That grave—the grave of the Unknown Soldier—symbolizes our faith in unity.

We have achieved our unity in this country, not by eliminating our differences in religion and tradition, not by hiding or suppressing our political and economic conflicts, but by holding to a concept which rises above them all, the concept of the brotherhood of man.

The first step of every enemy of this country has always been to attempt to separate the different strands of faith and belief out of which this Nation has been woven. Our enemies have tried to set up group against group, faith against faith—to create prejudice and to spread hate and distrust among our people.

The great service of the National Conference of Christians and Jews is to fight against the forces of intolerance, to bring light to the dark by-ways of prejudice, and to spread the spirit of tolerance and brotherhood which unites our country. This is a great patriotic service, and the country is indebted to the men and women in this organization who have given so much of their effort and substance in performing it.

In looking over your record of performance for the last year, I have been impressed by your comprehensive day-to-day program of education. Your efforts to promote understanding and eliminate prejudice have extended to almost every kind of organization in our society. You have reached not only the schools and the colleges, not only the churches and synagogues, but factories and shops, the press, the radio and the movies, and organizations of veterans, women, and young people. You will, I am sure, go on to reach more of these groups and bring your message to every agency that helps shape those attitudes of mind which are important to good citizenship.

This fine work by your organization will reach its peak again next February in Brotherhood Week. I am happy to have the opportunity to serve again as Honorary chairman of that event. I am sure that it will be a notable success under the leadership of my friend John Sullivan, and with the help of those associated with him, who are gathered here today and who are listening in.

The greatest strength of this organization lies in its fundamental principles. The National Conference of Christians and Jews has rightly recognized that the true foundation of the brotherhood of man is belief in God. The only sure bedrock of human brotherhood is the knowledge that God is the Father of mankind.

In the history of the world, there have been some movements inspired by a desire for brotherhood and greater justice among men which have denied or forgotten the re-

ligious foundation of those ideals. Sooner or later these movements have wavered and lost their way. They have become self-centered; they have set up their own interests as the only standard of right and wrong, and they have degenerated from movements of liberation into movements of tyranny and oppression. We can succeed in achieving brotherhood only if we acknowledge that the ideal of brotherhood is something outside or above us, something by which we in our turn will also be judged.

All the great religions represented in this organization, whatever their differences, acknowledge this belief in God as the Father and Creator of mankind. For us, therefore, brotherhood is not only a generous impulse, but also a divine command. Others may be moved into brotherhood only by sentiment. We acknowledge brotherhood as a religious duty.

All the faiths represented here claim as a common heritage the great thoughts of the Hebrew prophets. The prophets were among the first of men who saw that the concept of the Fatherhood of God required men to do justice to one another. They called on the people of their day, just as they call on us today, not only to recognize the humanity of others, but also to work unceasingly for the achievement of a greater justice in human relations.

Those of us who believe in God, therefore, can never be content to live for ourselves alone. We must always be working to eliminate injustice, and to create a society which carries out our ideals.

If we look at ourselves in the true spirit of brotherhood, we must acknowledge that in the United States there are instances of discrimination and injustice because of difference in color, religion, or national origin. But we are working diligently to overcome these violations of the fundamental faith which holds us together. It is encouraging to see that Americans all over the country are growing more and more aware of the importance of this problem.

I have asked that our Federal Government take an active part in this effort to achieve greater justice. I have called for legislation to protect the rights of all its citizens, to assure their equal particiaption in national life, and to reduce discrimination based upon prejudice. In view of the fundamental faith of this country and the clear language of our Constitution, I do not see how we can do otherwise than adopt such legislation.

We must strive abroad, as well as at home, to defend human rights and to expand the enjoyment of freedom. We have taken a firm stand in the councils of the United Nations against the violation of human rights. With the help of your organization and others like it, we have been able to play an important part in the United Nations in developing such historic international documents as the Declaration of Human Rights and the Convention on Genocide.

Furthermore, we realize that economic progress is essential to the peace and brotherhood that we desire for all mankind. That is why we are striving with other nations to create world economic conditions in which people may achieve freedom and dignity. That is why we are undertaking our programs of economic assistance and putting forward our proposals for helping underdeveloped regions of the world to achieve a better standard of living through their own efforts.

The task of achieving greater justice and freedom will be long and it will be difficult. The beliefs on which we have founded our form of government, and our hope of a better world, are under attack. In various parts of the world today, human rights and freedom are being deliberately violated and sup-

pressed. Men and women are being systematically persecuted for their religious beliefs. Campaigns are being waged to turn religion into a tool of the state.

These things are not only morally wrong—they threaten to undo the slow and hard-won achievements of civilization. They represent a new barbarism, more terrible than that of ancient times. These are the acts of men who conceive of other men as slaves, and not as brethren.

My friends, I am doing everything of which I am capable to organize the moral forces of the world to meet this situation. I am trying to get all those people who look up and who know that there is a greater power than man in the universe to organize themselves to meet those who look down and who are strictly materialistic. That is what we are up against.

The defense of mankind against these attacks lies in the faith we profess—the brotherhood of man and the Fatherhood of God. Men and women who have this faith will refuse to bow to force. They will refuse to worship the power of the state. They will refuse to set their own nation or their own group above criticism. For they understand that above all these works of men there is the eternal standard of God by which we shall all be judged.

It is only the people of religious faith throughout the world who have the power to overcome the force of tyranny. It is in their beliefs that the path can be found to justice and freedom. Their religious concepts are the only sure foundation of the democratic ideal.

To them, therefore, we must extend the hand of brotherhood. This is a task for all men of good will, working together everywhere. There can be no higher challenge than to build a world of freedom and justice, a world in which all men are brothers. That is the goal toward which we must strive with all our strength.

Sustained and strengthened by one another, we can go forward, under God, to meet and overcome the difficulties which confront us. With His help, mankind will come at last to a world where peace, freedom and justice will be enjoyed by all people everywhere.

NOTE: The President spoke at 2:30 p.m. at the Mayflower Hotel in Washington. His opening words referred to Everett R. Chinchy, president of the National Conference of Christians and Jews; John L. Sullivan, former Secretary of the Navy and general chairman of Brotherhood Week for 1950, who served as chairman of the luncheon; and Fred M. Vinson, Chief Justice of the United States.

The President's address was broadcast over the radio.

255 Letter Accepting Resignation of Julius A. Krug as Secretary of the Interior. *November* 11, 1949

Dear Cap:

Your letter of November tenth confirms the wish you had often expressed in our previous talks and leaves me no alternative. I therefore accept reluctantly and with sincere regret your resignation as the Secretary of the Interior, effective as you desire, as of December first next.

The outcome of the elections earlier this week, as you thoughtfully wrote, registers a popular conviction that increases our responsibility. We have indeed done a pretty good job in accomplishing our objecitves. In government, as in every field of human activity, the work is never done. We must go forward with progress, remembering always

that the only evidence of life is growth.

Particularly in the great Department which you have administered now for the better part of four years is this true. The people of this entire nation have a stake in the steady development of our incalculable resources in the great western domain. It would be hazardous to the nation to accept the "status quo." As you wisely observe, hostility to change is too often inspired by narrow timidity and selfish fear.

For all that you have done to translate administration policy into action in the Department of the Interior you have my hearty gratitude and appreciation. It is reassuring to know, as you leave the Department, that we will have your continued support in the development of the western program.

With every good wish for your continued happiness and success,

Cordially and sincerely yours,

HARRY S. TRUMAN

[Honorable Julius A. Krug, Secretary of the Interior, Washington, D.C.]

NOTE: Mr. Krug served as Secretary of the Interior from February 26, 1946, until December 1, 1949. His letter of resignation was released with the President's reply.

256 Address at the Annual Meeting of the National Council of Negro Women, Inc. *November* 15, 1949

THANK YOU, Congressman Dawson. It is a pleasure to be introduced by a Congressman with whom I have worked so closely, and who is a real friend to all of us.

Mrs. Bethune, Madame Pandit, Dr. Bunche, distinguished guests, and ladies and gentlemen:

I am glad to be here with you tonight and to join with you in this observance of the fourth anniversary of the United Nations.

I note also that this is the 14th annual meeting of the National Council of Negro Women, and the last convention at which the founder-president, Mrs. Bethune, will preside.

A significant feature of your conventions for many years has been an evening devoted to the furtherance of international good will and understanding. This was true when the United Nations was in its formative stage during the proceedings at Dumbarton Oaks, and again at the time of the San Francisco meeting when the United Nations Charter was adopted.

Here in the United States, we have a special reason for the close and sympathetic interest with which we have followed the growth of the United Nations. In the early years of our own Federal Union, the separate States found it necessary to unite for mutual defense and the promotion of the common welfare. That was a hard task because local pride and local patriotism had led to the formation of regional blocs. Nevertheless, out of that first loose confederation of States our present Federal Union emerged, with a Constitution which has stood the test of time and has proved to be the instrument by which we have achieved the greatest welfare for the common man the world has ever seen.

We are too apt to forget how long it took, and how difficult it was, to get the States to unite in the United States as we know it now. Let us not be too impatient at the seemingly slow progress we are now making toward

the goal of world peace—a goal which, despite all difficulties, we shall certainly attain.

In the course of time, I am sure that the same patience, the same tolerance, and the same respect for individual differences that enabled the thirteen States to become the United States of America, will lead to the fulfillment of the ideals expressed in the United Nations Charter.

I am confident that the United Nations will grow to the point where national interests will be harmonized in a drive toward the great objectives of lasting peace and prosperity for all mankind.

While the individual members of the United Nations are working to compose their differences by the peaceful processes of conciliation and negotiation, they are also moving vigorously toward the fulfillment of ideals which are deeply rooted in our own American history and tradition. Our own founding fathers were deeply concerned with the preservation of individual liberties under the Federal Union. The United Nations Commission on Human Rights has formulated these principles in a great document which can apply to all the peoples of the earth—the Declaration of Human Rights.

The American people have had a traditional policy for the administration of territories of the world not yet ready for self-government. From the beginning, we have adopted the view that such territories as came into our possession were held by us as trustees, and that it was our duty to develop their economies and their political institutions to the point where their peoples, if they so desired, would be able to enter the family of nations on a basis of equal partnership.

No other great nation in the history of the world has done such a thing as that.

We welcome the recognition of this principle in the United Nations Charter, and are deeply interested in the encouragement it has provided to the political aspirations of many peoples. The great movement toward self-government, which is now going forward in many territories under United Nations auspices, is symbolized tonight by the presence of the United Nations Director of Trusteeship, Dr. Ralph Bunche.

The United Nations is already receiving new strength from lands whose peoples have achieved self-government under democratic institutions. The Government of India is already playing a leading role among the new nations of Asia, and I am delighted to see here tonight the gracious Ambassador of India, Madame Pandit.

Political independence has little meaning if it is not accompanied by a full economic development. There are vast areas of the world today where whole populations do not have the bare necessities of life, even though their countries are rich in natural resources. Such countries need capital for economic development, and they need the benefits of modern technology and engineering. These needs cannot be met by the old colonialism with its fostering of political dependency and its economic exploitation. The economic growth of these underdeveloped areas must and will move forward in the interest of the peoples of those areas, and in accordance with the principles of democratic fair dealing. Such a forward movement will serve not only the best interest of the more highly developed countries, but it will also serve the common interest of all nations in the continual improvement of the living standards of mankind. In these great enterprises, I know we shall have the continued support of the National Council of Negro Women.

Fourteen years ago, this organization was founded by Mrs. Mary McLeod Bethune, who is retiring this year. I am sure that Mrs. Bethune's retirement as president of this organization will not mean her retire-

ment from public life. That is something we should all hate to see. She brought to the National Youth Administration a conviction that its program must reach all young people regardless of race, religion, or color. She has been in the forefront of those who worked for better housing and for larger employment opportunities through improved training and through the extension of fair employment practices. Mrs. Bethune remained until recently the president of a unique educational institution, Bethune-Cookman College, which she founded and developed to serve Negro youth, and which stands as a monument to her vision, her energy, and her faith.

All of us who are here tonight have a deep interest in that great enterprise—the extension of freedom and opportunity to all our citizens without racial or religious discrimination. The people of this country have made, and we are making, progress in this cause. We are awakened as never before to the true meaning of equality—equality in the economic world. We are going to continue to advance in our program of bringing equal rights and equal opportunities to all citizens. In that great cause there is no retreat and no retirement, and I know Mrs. Bethune is going to stand by me as she has from the beginning.

Mrs. Bethune, as you retire from the presidency of this organization, I join with your members in thanking you for your leadership, which will forever be an inspiration to those who seek to carry forward the noble purposes to which your life has been devoted.

NOTE: The President spoke at 9:05 p.m. in the Departmental Auditorium in Washington. In his opening remarks he referred to Representative William L. Dawson of Illinois; Mrs. Mary McLeod Bethune, retiring founder-president of the National Council of Negro Women; Madame Vijaya Lakshmi Pandit, Ambassador of India to the United States; and Dr. Ralph Bunche, United Nations Director of Trusteeship.

257 Remarks Upon Accepting Report of the U.S. Committee for the U.N. International Children's Emergency Fund. *November* 16, 1949

I AM very happy to accept this report from the United States Committee for the United Nations International Children's Emergency Fund. I want to express my appreciation of the effective work the Committee has done in keeping the people of the United States in touch with this important activity of the United Nations.

The report tells the dramatic story of a great humanitarian effort to meet the emergency needs of children growing out of the war. I note that this is entitled "Consider These Children." Those three words convey a message I should like to send across the land.

One of the greatest tragedies which the war could produce would be a generation of children whose minds and bodies were stunted and warped. The establishment of lasting peace depends in large measure upon whether these children, who will shape the future, have healthy bodies and a normal and happy outlook on life.

I hope that this story will be brought to the attention of people throughout the Nation. Their interest in the children of other

lands has already been expressed through support of this United Nations effort and the work of American voluntary agencies. I am sure that our citizens will want to do everything possible to join with the peoples of other countries in extending help to children.

NOTE: The President spoke at 11:30 a.m. at the White House. The report was presented to the President by Mrs. Oswald B. Lord, chairman of the U.S. Committee for the U.N. International Children's Emergency Fund. The report "Consider These Children" (8 pp.) was published by the Committee.

258 Remarks of Welcome to the Shah of Iran at the Washington National Airport. *November* 16, 1949

Your Majesty:

I am happy to welcome you to the United States on this, your first visit here. I have looked forward to Your Majesty's visit with great pleasure, and I trust that during its course you may have the opportunity of becoming well acquainted with our country. I trust, too, that we may have the opportunity of acquiring through Your Majesty a better knowledge of Iran, its heritage of greatness and culture, and the courage and far-sightedness with which present-day Iran, led by Your Majesty, is facing the problems of the modern world.

Our two countries were partners in the struggle against fascism. The traditional friendship which bound us together during those troubled times has grown even stronger in the years since the war. Your Majesty's visit represents the high point of this relationship, which will, I am sure, become still closer in the years ahead.

You have come a long way to be with us, and we are very grateful.

On behalf of the people of the United States, I bid you a most hearty welcome.

NOTE: The President spoke at 4 p.m. at the Washington National Airport where the Shah was given a 21-gun salute and full military honors. The text of the Shah's response was not released by the White House.

259 Toast of the President at the Dinner in Honor of the Shah of Iran. *November* 16, 1949

WE ARE very happy this evening to be hosts to His Majesty the Shahinshah of Iran—a wonderful country historically, and a wonderful country in the modern sense. That country was our ally in the late world war. Had not Iran opened its gates and given us the opportunity to assist the Russians at the proper time, there is not a doubt in the world but what the whole burden of World War II would have eventually been on the United States of America.

We are very grateful for that assistance which your great country furnished us at that time.

We have always been friendly to this cradle of history, this country about which Daniel said, "The laws of the Medes and Persians they are not altered." By that Daniel meant not that the laws were unalterable, but that the Medes and the Persians believed in keeping their contracts.

We have been dealing with a great power

that does not believe in keeping its contracts. Iran believes in keeping its contracts. The United States of America believes in keeping its contracts. When we make a treaty it is not a scrap of paper. It is intended to do just what it purports to do. It is an agreement which we expect to carry out. And that is the tradition and the theory of your great country.

I have just been having a conversation with His Majesty, in which he has been discussing a fair deal for Iran. It sounds like my St. Paul speech!

I want to say to you, Your Majesty, that the Government of the United States is represented here at this state dinner tonight. We have every cross-section of it. We have the Cabinet, and the Foreign Relations Committees of the legislative bodies of the Government. You are now looking at the people who make the clock tick in the United States.

I hope you will have a pleasant and an enjoyable visit in this country. We all want to contribute to your pleasure and to furnish you with every information you may desire. You are at liberty to talk with anybody you please. You are at liberty to see anything you want to see. You will not be hampered by a police guard, unless you want it. And you will have to ask for it, if you do want it. We will try and make it most pleasant for you in all our great cities, and I hope you will have the opportunity to see whatever you want to see in the United States of America.

Ladies and gentlemen, to His Majesty, the Shahinshah of Iran.

NOTE: The President proposed the toast at a state dinner held at the Carlton Hotel in Washington. The text of the Shah's response was not released by the White House.

260 The President's News Conference of *November* 17, 1949

THE PRESIDENT. I am ready for questions.

[1.] Q. Mr. President, are you going to give John L. Lewis a chance to accept a fact-finding board before invoking Taft-Hartley?

THE PRESIDENT. The emergency for Taft-Hartley has not arrived. When we get to that bridge we will cross it.

Q. You said at the last press conference you wouldn't hesitate to use Taft-Hartley.

THE PRESIDENT. That's correct. When it's time to use it, I will not hesitate to use it.

[2.] Q. Mr. President, the Wall Street Journal yesterday had a story that the administration had abandoned its hope of budget balancing, and that there will be no new taxes proposed for next year?

THE PRESIDENT. Well now, the Wall Street Journal must have been standing behind the curtain somewhere that I know nothing about. No such arrangement has been arrived at.

Q. They didn't hear accurately?

THE PRESIDENT. No sir, they did not head accurately. They hardly ever do. [*Laughter*]

[3.] Q. Mr. President, what do you think of the Communist imprisonment of our consul, Angus Ward?

THE PRESIDENT. I think it's an outrage.

Q. Are you doing anything to——

THE PRESIDENT. The Secretary of State answered every question in connection with that, that you can possibly ask him, so I would advise you to read his press confer-

ence for yesterday.[1] He and I are in complete agreement.

[4.] Q. Mr. President, the Atomic Energy Commission scared Washingtonians this morning with their report that advises the dispersal of Government out of Washington. Have you any comment on that?

THE PRESIDENT. Well, I have no comment on that—well, I will make one comment on it—it's old stuff. Mr. Steelman answered that in full with a statement in full about an hour and a half ago—or 2 hours, I think. If you will read the statement of Dr. Steelman, you will find your answer right there.

Q. Well, sir, in that statement I believe he said he was forwarding it to the Governors and here to the District Commissioners?

THE PRESIDENT. Yes. That situation has been under consideration ever since I became chairman of the committee on the—in the Senate. It is absolutely nothing new whatever.

Q. Does that mean it is essentially a local problem?

THE PRESIDENT. No, it is essentially a problem of civilian defense. It is a part of the National Security Resources Board's business to look into it, and Dr. Steelman has been acting as the chairman of that board; and if you will read the statement I think you will find it thoroughly and completely covers all the questions you want to ask.

[5.] Q. Will you request a tax increase?

THE PRESIDENT. I will have all that information in the Message on the State of the Union, or the Economic Message when it goes to the Congress. I don't care to discuss it now.

Q. Mr. President—well, Mr. President, just following through on that thought, do you know of any other way to meet the deficit without increasing——

THE PRESIDENT. I think I have said that about 19 times since I have been——

Q. I just wanted to get it on the record.

THE PRESIDENT. All right. You have it.

[6.] Q. Mr. President, do you plan to act in the coal case short of Taft-Hartley emergency as you did in the steel case?

THE PRESIDENT. No.

[7.] Q. Mr. President, Senator Thomas's remarks on Sweden seem to have caused a little commotion over there.[2] Have you any comment.

THE PRESIDENT. I have no comment. He is giving the facts.

[8.] Q. Mr. President, can you make any comments on the Philippine elections? President Quirino, according to the latest reports, has a majority of 400,000 votes——

THE PRESIDENT. We have no official report on the outcome of that election. Whenever we are furnished with the official report on the election, I shall make a comment.

[9.] Q. Mr. President, is it your feeling that to begin a coal strike again on December 1st would create a national emergency?

THE PRESIDENT. I will answer that question on December the 1st.

Q. Mr. President, do you intend to appoint a coal factfinding board?

THE PRESIDENT. I will cross that river when I come to it.

Q. Well now, Mr. President, we are a little

[1] According to the New York Times, Secretary Acheson informed reporters at his press conference on November 16 that the United States would not even consider the possibility of recognizing the Chinese Communists until they released the U.S. officials.

[2] According to newspaper reports Senator Elmer Thomas of Oklahoma became angry with a country, reported to be Sweden, when that country ignored his Armed Forces Subcommittee of the Senate Appropriations Committee which was touring European countries to investigate conditions in countries aided by the United States.

confused. I need clarification. You said you didn't plan any action short of Taft-Hartley——

THE PRESIDENT. That's correct. The Taft-Hartley provides for factfinding.

[10.] Q. Mr. President, the term of NLRB member J. Copeland Gray expires, I think, December 16th. He is generally regarded as being the most Taft-Hartley-minded man on the board. Do you have any plans for either replacing or reappointing Mr. Gray?

THE PRESIDENT. I have no comment on that at the present time.

[11.] Q. Mr. President, I need some clarification——

THE PRESIDENT. Good!—go ahead.

Q. We are all bewildered, sir.

Q. ——regarding the Taft-Hartley law. Do we—is it proper to assume from your answer that you are planning no action short of the Taft-Hartley——

THE PRESIDENT. That's right.

Q. ——or that you won't act without Taft-Hartley law, or don't act?

THE PRESIDENT. Whenever the time comes that it is necessary I will use the Taft-Hartley law, and all the laws on the books. That is my business—to enforce the law, and that is what I intend to do.

Q. In other words, it wouldn't be anything like in steel, in this case?

THE PRESIDENT. No. No.

Q. Mr. President, do you still feel that December 1st will be that date?

THE PRESIDENT. I can't answer that question. I have to find an emergency before I take action.

[12.] Q. Mr. President, would you comment on a proposal of Governor Pastore of Rhode Island that the Federal Government either take over the unemployment compensation system entirely or adopt some kind of Federal reinsurance scheme to help States where the jobless funds are going broke?

THE PRESIDENT. That has been a matter for argument for a long, long time. I have no comment on it.

[13.] Q. Mr. President, Winston Churchill said today that the United States and Great Britain should grant *de facto* recognition to the Chinese Communist regime. How do you feel about that?

THE PRESIDENT. He is perfectly entitled to that opinion. I have no comment on it.

[14.] Q. Mr. President, are you going to name Governor Knous of Colorado for a Federal judgeship?

THE PRESIDENT. I haven't made up my mind who is going to get the job. When I do, I will announce it right here and you will know all about it.

Q. What about Glenn?

THE PRESIDENT. I have no announcements to make. When I get ready to do so, I will make them from this desk right here.

[15.] Q. Mr. President, there have been persistent reports that American policy in Western Germany now contemplates the creation of a small German army. Would you comment on that?

THE PRESIDENT. That is a statement that was made out of the whole cloth by a newspaperman in Paris, and there isn't a word of truth in it.

Q. That means we do not, sir, and we are against it?

THE PRESIDENT. There isn't a word of truth in that rumor that was started in Paris. I think Dean Acheson covered it thoroughly yesterday in his press conference.[3]

[3] As reported in the press, Secretary Acheson denied that the three foreign ministers at their recent meeting in Paris had discussed or even considered the possibility of creating a small army in Germany. The Secretary further stated that he had denied this report previously and he emphasized the fact that the State Department had given no consideration to such a prospect.

Q. Well, that is why we asked you, sir. We had doubts about it, after he did get through with it.

THE PRESIDENT. I don't see why you did. I read what he had to say and it was perfectly clear.

Q. Is it correct, sir, to infer from that that American policy is against the creation of an army——

THE PRESIDENT. I am making no American policy from this desk.

Q. I didn't get your reply, sir?

Q. I didn't understand it?

THE PRESIDENT. I am making no American policy with respect to Germany from this desk. That is a matter that has to be worked out between the powers that are interested.

Q. Mr. President, is Mr. McCloy going to remain in Germany?

THE PRESIDENT. Yes, sure. That is what I sent him there for.

Q. Mr. President, if you found out that some of our officers in Germany have been discussing the formation of a proposed army with representatives of the German Government in Bonn, would you discipline those officers?

THE PRESIDENT. I am not in close contact with the situation in Germany itself. That is what I have Mr. McCloy over there for.

[16.] Q. Mr. President, this morning Mr. Crosser came in to talk with you, and he said he talked about the Mexican oil situation?

THE PRESIDENT. It is still under consideration, as I told Congressman Crosser.

Q. Still under consideration?

THE PRESIDENT. Yes.

[17.] Q. Mr. President, can you say anything about the range of your discussion with Mr. Acheson this morning on Far East policy?

THE PRESIDENT. No. I made a statement just—Charlie Ross released a statement on it which covered the ground.[4]

[18.] Q. Mr. President, do you care to comment on your visit with Mr. Malone of California?

THE PRESIDENT. Just a pleasant, friendly visit. He is a friend of mine. When he comes to Washington he comes in to see me, and talks about the state of the Union, and other things.

Q. Did you talk about the governorship campaign?

THE PRESIDENT. I imagine he did. [*Laughter*]

[19.] Q. Mr. President, I want to ask a very simple one, for our work prospects next week. Do you plan a press conference next week? Thanksgiving Day falls on Thursday—I didn't know——

THE PRESIDENT. I won't have a press conference on Thursday. [*Laughter*]

Q. Will you have one next week?

THE PRESIDENT. If we decide to have one, it will probably be on Friday.

[20.] Q. Would you care to comment, Mr. President, on the candidacy of James Roosevelt for Governor?

THE PRESIDENT. I have no comment. That is a primary contest, and the President never mixes in a primary contest; but when the Democrats get ready to operate against the

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[4] The release stated that a Regional Conference of the Chiefs of the United States Missions in Eastern Asia and the Far East would be held at Bangkok, Thailand, the end of January. In connection with preparations for the conference, the release added, the President held a meeting at the White House earlier in the day to discuss questions relating to United States policy in the area. Those present, in addition to the President, were Secretary of State Dean Acheson, Under Secretary of State James E. Webb, Assistant Secretary of State W. Walton Butterworth, Ambassadors Philip C. Jessup and J. Leighton Stuart, and State Department Consultants Raymond B. Fosdick and Everett C. Case.

Republicans, then I will take a hand if it is necessary.

[21.] Q. Mr. President, have you a new chairman for your Council of Economic Advisers?

THE PRESIDENT. No, I haven't.

[22.] Q. Mr. President, Senator Douglas of Illinois has a plan for cutting about 40 billion off the 1951 fiscal year budget?

THE PRESIDENT. I wonder why he didn't put that plan into effect in the Congress that has just adjourned? They were going to cut ever so much off that budget, and they came up here with a bigger one than I asked them for.

When I make the 1951 budget it will be just as hard to do anything about it as it was with the 1950 budget.

Q. Who made that suggestion, Mr. President? I didn't catch it.

THE PRESIDENT. Senator Douglas of Illinois. He has made it time and again before. It's easy enough to stand outside and say what ought to be done about the budget, but when you try to make it up, it's a different story.

Q. Mr. President, what do you mean by it is going to be hard to do anything about?

THE PRESIDENT. It is going to be a tight budget, just like the 1950 budget was. It is going to be an honest budget, because I know how to make it.

Q. Mr. President, will it be smaller or larger?

THE PRESIDENT. I can't answer that question.

Q. Will there be anything——

THE PRESIDENT. That will appear in the Budget Message.

Q. Mr. President, will there be anything in it on moving the Government out of Washington?

THE PRESIDENT. No. [*Laughter*]

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's two hundred and sixth news conference was held in his office at the White House at 4 p.m. on Thursday, November 17, 1949.

261 White House Statement Following Visit to the President by the Deputy Premiers of Greece. *November* 18, 1949

THE PRESIDENT received a courtesy visit from Greek Deputy Premiers Constantine Tsaldaris and Sophocles Venizelos at noon today.

Messrs. Tsaldaris and Venizelos, who head their country's delegation to the General Assembly and are the leaders of the two principal parties in the Greek Coalition Government, called to pay their respects to the President before returning to Greece.

The President took this occasion to congratulate the Greek leaders on the victories won by the Greek national forces—victories which have reduced the Communist guerrilla movement to police proportions. He expressed the hope that this would make possible the early restoration of normal peacetime conditions in Greece and rapid reconstruction of the Greek economy. The President also assured his callers of the continued interest of the United States in the welfare and security of the Greek people.

262 Toast of the President at a Dinner Given in His Honor by the Shah of Iran. *November* 18, 1949

Your Majesty, distinguished guests:

I appreciate most highly the kind remarks which Your Majesty has just made. I sincerely hope that I deserve them, and I sincerely hope that our mutual interests and our friendship will continue in the future, as it has in the past.

I am interested in history. I am interested in the fact that your great country was the fountain of Western civilization. It was the great Persian Empire that gave us the fundamentals of our laws and our constitution today. The fundamentals of the Old Testament laws came through the ancestors of Your Majesty, the Shahinshah of Iran, who is here tonight.

It was my privilege and pleasure to meet him when he arrived at the airport here in Washington, and I was highly impressed with his earnestness and sincerity in the welfare of his people. He has those qualifications which the great masters and rulers of his land before him impressed upon the people of the Middle East.

We were discussing the history of Persia today in the office, on a visit which he paid to me to discuss some of the things in which we are mutually interested. I will say this, that the Shah was somewhat surprised when he found that some of us here in this country were familiar with the great of his own great land, and I am sincerely hoping that he will have a most pleasant visit in these United States, the youngest of the great republics in the world.

And I sincerely hope that we can be of mutual help to each other. I am sure that if there is anything that any of us can do to make his visit pleasant, and to furnish him with information that will be profitable to his great country, all of us will cooperate in giving him that information, and in making his visit as pleasant as it is possible for us—a young and new republic, compared with the greatness of his own great country; and to do something, we hope, that will make that right flank—about which we talked today—as strong as we hope the left flank and the center will be. Thank you very much.

May I offer a toast to His Majesty, the Shahinshah of Iran.

NOTE: The President proposed the toast at a dinner given by the Shah of Iran at the Shoreham Hotel in Washington. The text of the Shah's remarks was not released by the White House.

263 Remarks to the Delegates to the Food and Agriculture Organization of the United Nations. *November* 22, 1949

Mr. Chairman, delegates, distinguished guests, ladies and gentlemen:

It is a great pleasure for me to meet again with the delegates to the Food and Agriculture Organization of the United Nations, and to welcome you to this meeting in the United States. We are happy that you can join with us again in our annual harvest festival—our Thanksgiving holiday. I hope that it will soon be possible for you to establish your permanent headquarters in the United States.

The Food and Agriculture Organization has an inspiring task, for you are working to increase the food supply of the people of the

world. That task is central to the whole broad effort to raise living standards and achieve greater freedom for all mankind. All the work of the United Nations and its many associated organizations is important in building a peaceful world, but none is more significant than yours. By working together in this Organization, we can create an abundance of food for all countries. We shall bring better health, longer lives, and greater happiness to mankind everywhere.

For this reason, it was most appropriate that the Nobel peace prize this year should have been awarded to your former Director-General, Lord Boyd Orr, that great pioneer in international cooperation in food and agriculture. You delegates to this Organization can properly share in this recognition of the importance of your work to world peace.

We have all learned in recent years that if we are to achieve peace we must have a positive, forward-looking program to satisfy the physical needs and the spiritual aspirations of mankind. Your organization is primarily concerned with meeting the need of hundreds of millions of people for more and better food. To achieve this, your work centers around two major problems. The first is to increase the production of foodstuffs and other agricultural commodities. And the second is to see that those commodities reach the peoples and the countries which need them.

We all know there are immense possibilities of increasing agricultural production throughout the world. The United States, for example, had a high agricultural production before the war—yet during the war we were able to increase the production of many commodities tremendously by using new and better techniques. New hybrid varieties of field crops, better livestock, better fertilizer, amazing new weed and insect killers—these and many more advances in agricultural techniques are opening up new horizons of production. It is no exaggeration to say that, as a result, an agricultural revolution has been taking place in the United States.

If this can be done in our country, think of what can be done to increase production in those parts of the world where modern methods and modern machinery are relatively unknown. This is one of the great opportunities toward which I pointed in my inaugural address last January, when I spoke of the need for a bold new program for making the benefits of our scientific advance and industrial progress available for the improvement and growth of underdeveloped areas.

In the beginning, the greatest advance will probably result from the most elementary improvements. The control of animal diseases and the improvement of simple tools, such as plows and threshing equipment, would greatly increase production and better the lot of millions of small farmers in many parts of the world.

I know that the FAO understands these great possibilities. I am glad that your Organization has worked out a specific program as your part of the United Nations' effort along these lines. The United States will continue to look to the FAO for leadership in the international cooperative effort to increase the food and agricultural production throughout the world. Our experience, our knowledge, our technical experts are all available to you, and I hope that you will continue to call upon them as needed.

Because your Organization is concerned with raising the living standards of people throughout the world, you are properly concerned not only with production, but also with the distribution of food and agricultural commodities. You understand the imperative necessity that the nations work together

toward a system of international trade which will contribute to an expanding world economy.

The nations of the world have taken a number of progressive steps in this direction. The European recovery program is essentially an international effort to restore Western Europe as a vital force in a progressive world economy. The International Wheat Agreement is a practical means for achieving better distribution of world wheat supplies. Most of the trading nations have joined in agreements to reduce barriers to world trade.

As the nations regain the productive capacity destroyed during the war, and as new productive capacity is added by the growth of underdeveloped areas, we should find it easier to develop lasting patterns for the international exchange of goods and services. I hope that the International Trade Organization will soon be established to help expand world trade by carrying on a continuous and systematic attack on trade barriers.

At the present time, there is still need for resourcefulness in meeting certain immediate problems. I know that, at this session, the FAO will be considering ways and means of moving temporary surpluses of certain commodities from countries where they are not needed to countries where they are badly needed. The United States welcomes the initiative of this Organization in seeking a solution to this problem. We pledge ourselves to work wholeheartedly with the other nations in attempting to devise practical and effective methods for solving it.

As our Thanksgiving season again approaches, we should all be reminded that the harvest has a two-fold significance. It is one mark of civilization to be able to produce abundantly, but it is a more important mark to be able to use abundance for the welfare of all mankind. The United States is glad to work with the Food and Agriculture Organization toward the goal of increasing production of food and improving its distribution. We regard this as a major cooperative endeavor toward our common objective of a stable and peaceful world.

NOTE: The President spoke at 3:27 p.m. at the Shoreham Hotel in Washington following an introduction by Norris E. Dodd, Director General of the Food and Agriculture Organization of the United Nations.

264 Exchange of Messages With Prime Minister Nehru of India. *November* 23, 1949

My dear Mr. Prime Minister:

I have received with appreciation your gracious letter and your portrait sent upon your departure from the United States. You may be assured that your visit has been a source of great pleasure not only to me, but to the American people.

With kindnest personal regards and best wishes,

Very sincerely yours,

HARRY S. TRUMAN

[His Excellency Jawaharlal Nehru, Prime Minister of India]

NOTE: Prime Minister Nehru's letter, dated New York City, November 6, and released with the President's reply, follows:

My dear Mr. President:

I am leaving the United States tomorrow on my way back home. On the eve of my departure, I must again convey to you my deep gratitude for your great kindness and hospitality. I have spent three and a half weeks in this great and wonderful country and have been greatly impressed by what I have seen and heard. Above all I have been moved by the generous and warm-hearted

welcome that I have received everywhere from all classes of people and the goodwill that has been shown not only to me but to my country also. I am sure that my people have also been moved, as I have been, and that this visit of mine has led to a deeper understanding between our respective countries leading to closer bonds in future.

For all this I am greatly beholden to you, Mr. President, and to your Government. The arrangements made for my rapid and extensive tour in this vast country were perfect and, because of this, I was enabled to visit many important cities and institutions as well as some rural areas. I shall carry back with me unforgettable impressions and memories of this visit of mine to the United States and of the great generosity and warm-heartedness of the people here.

With my high regards for Mrs. Truman, and assuring you, Mr. President, of my respect and high consideration, I am

Very sincerely yours,

JAWAHARLAL NEHRU

265 The President's News Conference at Key West. *December* 8, 1949

CHARLES G. ROSS, Secretary to the President: Gentlemen, we have with us today as our guest, the distinguished contributor to the Federal Register.[1] [*Laughter*]

The President of the United States came down this morning about 7:25. He went for his customary walk at 7:30. In the course of that walk he went down to the dock and saw General Vaughan and General Landry, and Commander MacDonald off on a sailfishing expedition—one on which they hope they will catch a sail fish.

They were accompanied by John R. Redmond, White House gardener, who came down in the mail plane to spend a couple of days to go fishing. These gentlemen expect to return late this afternoon.

The President got back to the house about 7:50, and had breakfast, consisting of grapefruit——

Q. California grapefruit?

Mr. Ross [*to the President*]: California grapefruit?

THE PRESIDENT. It came out of the kitchen, Charlie, I don't know.

Mr. Ross: Florida grapefruit. [*Laughter*] Then bacon, toast, and coffee and milk.

He then went down to the dock and saw off a second boatload—that was at 8:45—consisting of General Graham, Mr. David Lloyd, Mr. Charles S. Murphy, Mr. Stephen J. Spingarn, Mr. Philip Maguire, Mr. Joseph Feeney of the White House staff, who also went fishing. They will be back in time for lunch today. They have with them as their guest, Chief of Secret Service O. E. Baughman, who is down here for a couple of days.

Mr. Frank Pace, the Director of the Budget, will arrive this afternoon.

Q. Frank who?

Q. Pace.

Mr. Ross: To discuss the forthcoming Budget Message with the President. The length of his stay is indefinite.

Q. What time does he come in, Charlie?

Mr. Ross: Sometime late this afternoon, I don't know the exact time.

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[1] In describing this news conference the New York Times carried the following: "A mere cub reporter intruded himself among veteran White House correspondents here today during a news conference. This cub, a contributor to that obscure daily, the Federal Register, was trying to look like a journalist. He carried a cane and he wore a white pith helmet, and his name was Harry S. Truman.

"This was as complicated and embarrassing a news conference as a reporter cared to cover. It was being held by Charles G. Ross, secretary to the cub reporter, and it concerned the activities of that cub. The cub took down everything his secretary was saying."

The Times added that the President sat with members of the press, a sheet of Western Union message stationery on his table-arm chair.

I think that's it.

Q. Mr. President, is this an accurate report?

THE PRESIDENT. Mr. Ross will answer that question. [*Laughter*]

Mr. Ross: The report is entirely accurate, I assure you.

Q. Can we have the exclusive rights to your dispatch to the Federal Register?

THE PRESIDENT. As soon as you gentlemen are through, *I* have some questions that I want to ask, Mr. Ross.

Q. Are we in a position to answer them honestly, Mr. President?

Q. He is going to ask Charlie.

Q. I can't think of any. Go ahead, Mr. President. [*Laughter*]

Mr. Ross: Well, Mr. President?

THE PRESIDENT. I would like to know what time each one of you went to bed last night. I want an honest answer, and Mr. Ross is taking it down—Jack Romagna will—I would like to know exactly what time you went to bed. Come on, Tony?

Ernest B. Vaccaro, Associated Press: I was in bed at 12:15. [*Laughter*]

THE PRESIDENT. A very reasonable hour. What about you, Smitty?

Merriman Smith, United Press Associations: One o'clock, roughly. [*Laughter*]

THE PRESIDENT. That means maybe two or three. Where's Bob Nixon? What time did *he* go to bed?

Robert Nixon, International News Service: I was in bed before midnight, Mr. President. [*Laughter*]

THE PRESIDENT. You beat Tony, then. All right!—Bill Hillman, what time?

William Hillman, Mutual Broadcasting System: Midnight.

THE PRESIDENT. I am looking after you—I am looking after you.

William D. Hassett, Secretary to the President: I'm glad they're not under oath. [*Much laughter*]

THE PRESIDENT. How about you, Tony Leviero?

Anthony Leviero, New York Times: 1:15.

THE PRESIDENT. What time did this broadcaster go to bed?

Frank Bourgholtzer, National Broadcasting Company: I'm afraid it was sometime after one.

THE PRESIDENT. Sometime. Indefinite! Joe Fox?—I'll bet *he* was in bed.

Joseph A. Fox, Washington Star: Nine-thirty, Mr. President. [*Loud laughter*]

Q. He was in bed off and on all night.

Mr. Ross: A.m. or p.m., Joe?

Q. He kept us all awake, he kept going to bed so often. [*More laughter*]

THE PRESIDENT. How many of you have had breakfast this morning? [*A show of hands raised indicated nearly all.*] Good—good. Just a small percentage have not had breakfast. How many have written to their wives at least once a week since you have been down here? [*Another show of hands*] Tony, you had better check up, because I have had several telegrams wanting to know what these fellows were doing. That's the reason I am checking up on you.

Who takes care of the local finances around here?

Q. Western Union.

Q. Trade winds.

THE PRESIDENT. You have no banker?

Q. McEachern of Western Union has been holding the bag for us.

THE PRESIDENT. Suppose I wanted to cash a check, how am I going to get it if I don't get to the bank?

Carrol Linkins, Western Union: We'll take care of it, Mr. President.

THE PRESIDENT. Are you enjoying yourselves?

Voices: Yes, sir!

THE PRESIDENT. You have everything you need to eat. I don't ask you about the drinks, because I know you get enough of that.

Q. Now we will ask *you,* how are you enjoying yourself?

THE PRESIDENT. Perfect. Best vacation I have ever had down here.

Q. What did he say?

Q. Best vacation he has had down here.

THE PRESIDENT. Best vacation. And I think the family enjoyed it immensely.

Q. They had to go.

THE PRESIDENT. Neither one of them wanted to go, that's true.

Well, thank you, Mr. Ross! [*Laughter*]

Mr. Ross: Have you any further questions?

THE PRESIDENT. I can't think of any impertinent ones. If I could I would ask them. I think the next one that I would want to ask is too personal.

Well, I hope you will continue to enjoy yourselves.

Q. I wish we could see those notes, Mr. President.

THE PRESIDENT. I will let you have it as soon as it is typed.

Q. Coming back to see us again?

THE PRESIDENT. I'm coming back, I'm warning you! I'm coming back some morning earlier, to make an inspection to see just how clean you keep your apartments!

NOTE: President Truman's two hundred and seventh news conference was held in the Press Room of Bachelor Officers Quarters No. 128 at the United States Naval Base, Key West, Fla., at 10 a.m. on Thursday, December 8, 1949.

266 Statement by the President in Response to Report "Issues Involved in a Unified and Coordinated Federal Program for Transportation." *December* 13, 1949

ON August 30, 1949, I requested the Secretary of Commerce to prepare for my consideration a report outlining the major policy issues which need to be resolved in order to assure maximum effectiveness and consistency of Federal programs in the field of transportation. The Secretary has recently transmitted his report in response to my request.

The issues raised in this report deserve careful consideration within the Government and by the general public. The adequacy and efficiency of our transportation services have a direct impact upon the well-being of our peacetime economy, and upon our defense preparedness. It is essential that Federal programs, covering a wide range of regulatory and promotional activities, make the maximum possible contribution to a healthy and balanced transportation system.

I am requesting all Federal agencies which have responsibility for transportation matters to give me their views on the policy questions raised in this report. With the cooperation of such agencies, immediate and continuing attention will be given to the exploration of these important problems.

NOTE: The report "Issues Involved in a Unified and Coordinated Federal Program for Transportation," is dated December 1, 1949 (Government Printing Office, 1949, 44 pp.).

267 The President's Second News Conference at Key West. *December* 15, 1949

[*The Official Reporter states that the President attempted a surprise visit to the press room but that everyone seemed to know he would come.*]

Q. My God!—this is *on* the record!

THE PRESIDENT. What's that, Joe?

Joseph A. Fox, Washington Star: This is *on* the record?

THE PRESIDENT. Yes.

Q. Everybody here?

THE PRESIDENT. We'll have to wait a few minutes, I guess, to see that everybody is protected. [*Merriman Smith appeared in blue pajamas with burgundy spots.*]

Q. Have you ever seen anything like the dead still walking! [*Much laughter*]

Merriman Smith, United Press Associations: I stayed up all night working on official papers.

Q. Nixon will never forgive me as long as he lives.

THE PRESIDENT. Is Bob up? [1]

Q. Where's Nixon?

Q. He's shaving.

Q. He's up—he's down! [*Laughter*]

THE PRESIDENT. How are you all this morning?

Charles G. Ross, Secretary to the President: This reminds me of the time I held up the President's plane in the jungles.

THE PRESIDENT. At 3 o'clock in the morning.

Mr. Ross: Tropical rainstorm.

[*As pictures were being taken*] Can't we suspend the picture-taking while the conference is going on and then you can take a few later. Don't let's have the picture now while it is going on.

THE PRESIDENT. Take them afterwards. I can't see the expressions on the fellows' faces here when you do that.

Q. Where's Nixon? [*Mr. Nixon appeared*]

[1.] Q. How is your vacation, Mr. President?

THE PRESIDENT. Very pleasant—very pleasant vacation. A very successful one.

Q. From what point of view, Mr. President?

THE PRESIDENT. Every point of view.

Q. Got a lot of work done?

THE PRESIDENT. Got a lot of work done—good deal of rest—plenty of sunshine—very satisfactory all around.

Q. Do you agree with General Graham who said you should take vacations more often?

THE PRESIDENT. I agree, but I don't see how it can be done.

[2.] Q. Mr. President, shortly before we came down here, Secretary Tobin made a speech in Boston in which he said it was his opinion that every person in the United States 65 years or older should get a pension of at least a hundred dollars a month. Was he speaking with your approval?

THE PRESIDENT. I didn't see the Secretary's speech, and I am not familiar with it, therefore I have no comment to make on it.

[3.] Q. Speaking of Secretaries, Secretary of Commerce Sawyer the other day recommended—I believe I am right on that—lifting or at least easing excise taxes in the interest of aid to business. Does that also coincide——

THE PRESIDENT. That is a matter that is under consideration by the Treasury Committee and by the experts on the Ways and Means Committee of the House. No conclusion has yet been reached on it. It will be covered in the Budget Message.

Q. What is that Treasury Committee,

[1] Robert G. Nixon, International News Service.

Mr. President? Isn't that the Joint Committee——

THE PRESIDENT. A bunch of experts—the fellows in the Treasury Department that work on taxes. They have been there all the time.

Q. The House Ways and Means Committee?

THE PRESIDENT. The Committee on Ways and Means that has been there always—they work in complete harmony.

Q. The answer to that question is it will be in the Budget Message?

THE PRESIDENT. It will be in the Budget Message. [*Laughter*]

Q. Mr. President, could you tell us anything about the—whether you plan to ask for new taxes?

THE PRESIDENT. I will have to cover that in the Budget Message.

Q. Mr. President, will your aim be to try to balance the budget?

THE PRESIDENT. It has always been my aim to try and balance the budget. The 80th Congress unbalanced the budget, and nobody else in the world is to blame, for they knew exactly what they were doing when they did it. I made it very plain to them in three veto messages.

Q. Mr. President, do you still feel that the only way to offset a deficit is to increase taxes?

THE PRESIDENT. That is a matter that is under study and I will answer that in the Budget Message.

Q. But you will ask for a balanced budget?

THE PRESIDENT. I will answer that in the Budget Message. [*Laughter*]

[4.] Q. Are you able to tell us whether you are going to ask for any new housing legislation in the new Congress?

THE PRESIDENT. That matter is under consideration.

Q. No definite decision yet?

THE PRESIDENT. No definite decision as yet.

[5.] Q. Mr. President, I wanted to ask about point 4. I wonder what you might ask for the New Year?

THE PRESIDENT. Some legislation has been introduced on point 4, and there will be some further study and recommendations on that basis that will be mentioned also in the State of the Union Message.

Q. You asked for 45 million before, didn't you, last year?

THE PRESIDENT. I think so—I think that was the figure. I can't remember exactly, but I think that was the figure.

[6.] Q. Mr. President, have you decided on any one to be Chairman for the Atomic Energy Commission?

THE PRESIDENT. No.

[7.] Q. I have a query here. J. Copeland Gray's term expires in the NLRB on Friday. Would you be able to say yet whether he will be reappointed?

THE PRESIDENT. No, I can't comment on that yet. I haven't made up my mind on what I am going to do about it. I will let you know just as quickly as I am ready.

[8.] Q. Mr. President, I understand there is a regular promotion list in the Navy before you. Would you care to say when you will act on that?

THE PRESIDENT. No. I am not ready to act on it now. It is on my desk, and it has been on my desk for some time, and there never has been but one list and I have got it, and I have had it all the time.

Q. That is relative to that Burke thing? [2]

[2] According to newspaper reports there was some confusion as to whether or not the name of Capt. Arleigh A. Burke had been removed from a naval promotion list for rear admiral. Captain Burke had recently headed the section, "Op-23," formed to advise the Chief of Naval Operations on organizational and unification problems. That section took a leading part in helping to correlate the testimony presented by naval witnesses to the House Armed Services Committee during the October hearings on unification problems.

Q. Mr. President, the reports on that list that have come to us are that you sent it back to the Navy Department.

THE PRESIDENT. That was never sent back. The list came in its controversial form directly from the Navy, and I knew nothing about the controversy until I got the list, and the list will remain on my desk until I have made up my mind.

Q. No revisions, or anything else?

THE PRESIDENT. No, none at all.

Q. None sent back?

THE PRESIDENT. None sent back.

Q. No one has been knocked off of it, Mr. President?

THE PRESIDENT. No. There have been no names knocked off, and no substitutes, and when I make up my mind what I am going to do about it, I will make the decision and you will know all about it.

Q. When you speak of controversial matters, is that the Burke case?

THE PRESIDENT. I can't answer that.

Q. I see.

THE PRESIDENT. I haven't studied the thing at all.

Q. Could you tell us, Mr. President, what the controversy is to clear up?

THE PRESIDENT. No, I can't. [*Laughter*]

[9.] Q. Mr. President, can you say if the next year's budget will run as high as the present?

THE PRESIDENT. The figures have not been reached.

Q. They have not?

THE PRESIDENT. We are working on it now. It hasn't been completely totaled up.

Q. Pace told us it would not be under 45 billion, so I didn't see how far——

THE PRESIDENT. I can't answer that because it hasn't been completely totaled. I think there are some still pending of a minor character.

Q. Sir, have you set any limit below which the budget will not go, and above which it will not go?

THE PRESIDENT. No, I have not. You can't run a budget that way. A budget has to be gotten out in the interest of the Nation's whole.

[10.] Q. Is there anything you could tell us what you expect of the 81st Congress—the next session?

THE PRESIDENT. I will tell you all about that in the State of the Union Message, which is just about ready.

[11.] Q. Mr. President, have you decided on the successor to Clark Clifford yet?

THE PRESIDENT. No. I will make an announcement on that a little later.

[12.] Q. Mr. President, this Treasury committee, is that a new committee that is working in the Treasury, or up in the Capitol?

THE PRESIDENT. Ever since I have been in the Congress, since 1935.

Q. Are they making any new studies?

THE PRESIDENT. They are studying the tax situation all the time. That is the Ways and Means Committee of the House.

Q. We are pushing hard there.

THE PRESIDENT. I have been telling you right straight from the shoulder.

[13.] Q. How about a successor to Dr. Nourse?

THE PRESIDENT. I haven't decided on one yet.

Mr. Ross: These questions all have a very familiar ring, Mr. President. [*Laughter*]

Q. Do you have anything you would like to volunteer? [*More laughter*]

THE PRESIDENT. No announcements.

[14.] Q. Mr. President, did you eat one of the ostrich eggs?

THE PRESIDENT. No, I did not.

[15.] Q. Any folks coming down from that Democratic meeting Sunday night in Miami, Mr. President?

34-483—64——40

THE PRESIDENT. Not that I know of.

Q. Aren't they?

Mr. Ross: I might ask Mr. Fox a question. Who are you ready to appoint on the Municipal Court in Washington?

Joseph A. Fox, Washington Star: No. I want that one for Sunday. I have already named one. [*Laughter*]

THE PRESIDENT. Well, you are still for Joe Fox? [*More laughter*]

Q. Slightly less.

Q. We'll sell him to you cheap.

Q. We won't ask favors.

THE PRESIDENT. I understand a fellow doesn't have to know anything about law to have that job. How about that, Joe?

Mr. Fox: I hope you will put that off the record, that's all I have to say!

THE PRESIDENT. We are just discussing *Joe* now.

[16.] Q. Mr. President, can you give us a line on any new foreign policy action you may take?

THE PRESIDENT. No, I can't.

Q. Anything——

THE PRESIDENT. That will be covered in the State of the Union Message.

Q. Anything new, Mr. President?

THE PRESIDENT. Nothing new.

[17.] Q. Mr. President, I will ask one question about a District situation. On that Lauderdale vacancy, are you taking recommendations from somebody on that—a fellow in the Public Utilities Commission—it hasn't come to your attention?

THE PRESIDENT. It hasn't come to me yet.

Q. I rather doubted it.

THE PRESIDENT. I suppose they will make recommendations on it, but it hasn't reached me yet.

[18.] Q. Mr. President, what about that new housing regulation that the Solicitor General announced, about ending segregation——

THE PRESIDENT. Well, my suggestion to you about that is to talk to Mr. Foley. He is the authority on that, and he will cover it for you completely and thoroughly. I think that statement was made to you once before.

Q. Yes, sir. [*Laughter*]

Q. Just like that!

Reporter: Thank you, Mr. President.

NOTE: President Truman's two hundred and eighth news conference was held in the Press Room of Bachelor Officers Quarters No. 128 at the United States Naval Base, Key West, Fla., at 10 a.m. on Thursday, December 15, 1949.

268 Address at the Unveiling of a Memorial Carillon in Arlington National Cemetery. *December* 21, 1949

HERE in Arlington National Cemetery, in the presence of our war dead, we have come to consecrate a carillon.

In their nightly hymn, the bells of the carillon will sing of our faith in the kinship of man and God. Each time they sing that faith, they will proclaim our compact with the veterans of our Nation's wars who gave their lives that our faith might endure.

Our American heritage of human freedom is born of the belief that man is created in the image of God and therefore is capable of governing himself. We have created here a government dedicated to the dignity and the freedom of man. It is a government whose creed is derived from the word of God, and its roots are deep in our spiritual foundations. Our democracy is an expression of faith in the spirit of man, and it is a declaration of faith in man as created by God.

On these spiritual foundations we have established a creed of self-government more precious to us than life itself. These soldier graves are a testament to this creed, for these men died for it. While freedom prevails, we—the living—shall keep our compact with these dead. And as long as this Government remains rooted in the dignity of man and in his kinship with God, freedom *will* prevail.

If man could achieve self-government and kinship with his God throughout the world, peace would not tremble in the constant dread of war. Mankind is exhausted from the ordeal of conflict. All men are sick of blood-letting and hunger, and weary of the troubles suffered for so many years. If we could mobilize world opinion among all men who walk the earth, there would never be another war.

This we cannot do alone. For the earth is deeply divided between free and captive peoples. There is no appeal to the brotherhood of men who live in daily fear of the concentration camp. Until the captive peoples of the world emerge from darkness, they cannot see the hand we hold out in friendship. While they are made to respond to our handclasp with a mailed fist, we have no choice but to stand ready in self-defense.

Much as we prize peace and friendship, we prize freedom more. And much as we trust in God, while He is rejected by so many in the world, we must trust also in ourselves. In an age where peace must be protected, we must resort to our own strength to hold aggression at bay. When good will prevails and peace comes to the earth, it will come because we have had the resolution to hold fast through perilous times, and we have had the courage to share our resources with other nations who believe in freedom. By generous sharing of our material goods in the past few years, we have restored to many peoples faith in themselves, faith in their freedom, faith in the certain triumph of confidence over fear. Just as long as we continue to face our world responsibilities with the courage and realism we have already shown, we shall deserve the right to hope—and work—for lasting peace.

Meanwhile, our efforts in search of peace and security have not spared us problems at home. Not only do the security needs of our Nation seem at times to be in competition with social progress, but the attention we must give to weapons of defense may obscure the fact that the real basis of our strength is a strong and active faith in freedom. As long as freedom remains a force for human welfare, men will cherish it in their hearts and defend it with their lives. In this present-day world where man's personal independence is cramped by the complexities of his economic existence, it is the duty of government to see that each citizen does not lose faith in his ability to provide freely by his efforts for his own welfare. We have revived the belief of free peoples in themselves in many foreign countries; and we must continue to safeguard at home the belief in ourselves and belief in freedom as the greatest force for human welfare.

This is an age where faith in one's self, faith in freedom, faith in the kinship of man and God, are more important to our survival than all the mighty armaments of war.

As these bells ring out their hymns, they will proclaim that message of faith. As long as they ring, these honored dead may rest.

While faith lives, so does freedom.

While freedom lives, so does hope of a just and lasting peace.

NOTE: The President spoke at 3 p.m. at the dedication of the National Evening Hymn Memorial Carillon presented to the Nation by the AMVETS National Service Foundation.

269 The President's News Conference of *December* 22, 1949

THE PRESIDENT. First, I want to wish all of you a very Merry Christmas and a Prosperous and Happy New Year.

And I want to say to you that I think the vast majority of you have been as kind to me as I deserve—[*laughter*]—and I appreciate it most highly.

I have a couple of announcements to make.

[1.] I have asked Mr. Lilienthal to remain over until the 15th of February to wind up a few things that are now pending before the Commission.

And I am going to make Mr. Charles Murphy the successor to Clark Clifford.

That's all the announcements.

[2.] Q. Mr. President, could you tell us, sir, what has been the trouble in selecting someone to succeed Mr. Gray of the National Labor Relations Board?

THE PRESIDENT. There hasn't been any trouble that I know of. I am just not ready to make the appointment.

Q. You haven't decided on his successor?

THE PRESIDENT. I haven't decided on his successor.

Q. Who was that, Mr. President? What job?

THE PRESIDENT. Gray—Copeland Gray.

[3.] Q. Mr. President, has anyone from the RFC asked you for your general policy on making loans to States to build toll roads?

THE PRESIDENT. No. Nobody has asked me anything about that.

[4.] Q. Mr. President, there has been a sort of drought down South as far as top level appointments are concerned——

THE PRESIDENT. Are you right sure about that? I would like to call the roll for you.

Q. All right, sir.

THE PRESIDENT. I think you will find that the South is still running the Government, if you go by appointments. [*Laughter*]

Q. I will say no more then.

THE PRESIDENT. You look over the roll call, and you will see.

Q. *There's* one, Mr. President.

THE PRESIDENT. Yes, a dozen of them here. [*More laughter*]

[5.] Q. Mr. President, when does Mr. Murphy take over?

THE PRESIDENT. About the 1st of February.

[6.] Q. Mr. President, there have been statements on the radio and scuttlebutt from Key West that you were dissatisfied with Louis Johnson and that he would be out by midsummer?

THE PRESIDENT. There isn't a word of truth in it.

Q. Is there anything you could say about it?

THE PRESIDENT. There isn't a word of truth in it, that's all I can say.

[7.] Q. Mr. President, there has been a report from Rome that Mr. Myron Taylor is planning to resign. Could you tell us about that?

THE PRESIDENT. No comment on that.

[8.] Q. Mr. President, do you favor the proposed coalition of Republicans and Dixiecrats?

THE PRESIDENT. Well, I think it is in existence now.

[9.] Q. Mr. President, do you think General Eisenhower is a candidate?

THE PRESIDENT. I do not. General Eisenhower and I are on the friendliest of terms, and always have been. I told you in 1948—when they were passing around all those remarks—that there wasn't anything to them, and none of you believed me, but they hap-

pened to be the facts. [*Laughter*]

Q. Mr. President, couldn't you be on friendly terms even if he ran?

THE PRESIDENT. Why certainly I could—certainly I could.

Q. Mr. President, do you feel that you know what is in the General's mind——

THE PRESIDENT. I think I do.

Q. ——politics-wise?

THE PRESIDENT. I think I do.

Q. Do you feel sure, Mr. President, that he is not a candidate for 1952, as he was not in 1948?

THE PRESIDENT. Yes, he said so; and that is as far as I care to go. I think his word is good, and it has always been with me.

Q. Another aspect of this, do you think somebody is trying to make him a candidate?

THE PRESIDENT. I wouldn't be surprised about that. They have been trying to, ever since he got out of the Army.

[10.] Q. Mr. President, do you think a continued 3-day workweek in the mines would provide enough coal for the country?

THE PRESIDENT. I can't answer that question because I don't know.

[11.] Q. Mr. President, I would like to ask a question about the policy on antidiscrimination in housing. Suppose a householder getting Federal aid doesn't record his covenant, but he practices discrimination anyway, would he be deprived of Federal aid?

THE PRESIDENT. I would suggest that you ask that question of the legal adviser to Mr. Foley, as I told you to do down in Key West. [*Laughter*]

Q. Third effort.

[12.] Q. Mr. President, to follow up——

THE PRESIDENT. That's right.

Q. ——the coal query, do you think the 3-day week in the coal mines puts it outside of the emergency?

THE PRESIDENT. No, I can't answer that question, because I don't know anything about what the answer is. If I find that there is an emergency, I will take the necessary action.

[13.] Q. Mr. President, I have a story from the AP this afternoon, after George V. Allen had seen you and gotten his final instructions as Ambassador to Yugoslavia, which said that when he presents his credentials to the Tito government to state as clearly as he can the policy of the United States which has just been confirmed by the President as regards Yugoslavia, that we are just as opposed to aggression against that country as any other country—or any pact country ?

THE PRESIDENT. That is true—that is true. We are opposed to aggression against any country, no matter where situated.

[14.] Q. Mr. President, have you taken any personal interest in this Detroit bombing?

THE PRESIDENT. Of course—of course, I am interested in it. I think it is an outrageous thing. Of course I am interested in it.

Q. Has Mr. Hoover been given instructions to make a full investigation?

THE PRESIDENT. He has not. The Attorney General answered that statement this morning, and the Attorney General's statement stands.[1]

[15.] Q. Mr. President, your statement about aggression doesn't mean any change in your policy toward Yugoslavia?

THE PRESIDENT. Not at all—not at all. That has always been our policy.

Q. Mr. President, would that apply to Formosa?

[1] On December 21 Attorney General J. Howard McGrath announced that he had ordered the Federal Bureau of Investigation to determine whether Federal law was violated in the attempted bombing of the headquarters of the United Auto Workers, CIO, in Detroit on December 20. A box containing 39 sticks of dynamite had been discovered in the building.

THE PRESIDENT. That—I can't answer that question, because that is not a free country. It's a part of Nationalist China, and we still recognize Nationalist China as the government of China.

[16.] Q. Mr. President, is there any prospect of balancing the 1951 fiscal year budget?

THE PRESIDENT. I can't answer that. I will let you know all about that in the Budget Message.

Q. You have it scheduled yet, sir, how those messages will go up to Congress?

THE PRESIDENT. Yes. The first message will be the Message on the State of the Union. I hope the second message will be the Economic Report Message, and the third message will be the Budget Message. In that order.

Q. Do you have dates for those?

THE PRESIDENT. No. I can't set the dates until I have had a chance to have a conversation with the leaders of the House and the Senate. Then I will set the dates.

Q. Mr. President, in that connection, would you care to indicate whether the State of the Union Message will cover foreign and domestic affairs or will your foreign affairs——

THE PRESIDENT. I think maybe you had better wait and see the message. That's the best way to find out.

Q. Which one will cover taxes, Mr. President?

THE PRESIDENT. You will find that out when the messages come out.

[17.] Q. Mr. President, there is a report that the President of Chile has accepted an invitation from you to visit the United States?

THE PRESIDENT. He has been invited, and I think he has accepted. Sometime in April, I think, he comes.

[18.] Q. Mr. President, I wonder if you are aware of this report in Jane's Fighting Ships that the Russians are building a big navy, including a lot of subs. Were we taken by surprise by that report?

THE PRESIDENT. We were not.

Q. Have we changed our defense allocations?

THE PRESIDENT. We were not. It had no effect on our defense allocations.

[19.] Q. Mr. President, are you optimistic about economic and business conditions this year end?

THE PRESIDENT. Yes, I am.

Q. Would you care to elaborate on that?

THE PRESIDENT. I will give you an answer to that in the Economic Message. That is thoroughly covered.

[20.] Q. Mr. President, did you read the CED report on changes in your top policy on the National Security Council and National Security Resources Board? They wanted to add three men to the National Security Council and——

THE PRESIDENT. I didn't read that. I don't know what they were talking about.[2]

[21.] Q. Mr. President, Secretary Brannan told us he left a letter with you in regard to the cotton acreage program. I wonder what comment you might have on that?

THE PRESIDENT. I haven't had a chance to read it yet. I haven't had it but half an hour. I have been signing documents and meeting customers, and I haven't had a chance to read it.

Q. How's business, Mr. President? [*Laughter*]

THE PRESIDENT. Very good.

[22.] Q. Mr. President, any comment you can make on your Cabinet session this morning?

[2] See the report "National Security and Our Individual Freedom," a statement on national policy by the Research and Policy Committee of the Committee for Economic Development (New York: 1949, 34 pp.).

THE PRESIDENT. The Cabinet session was devoted to the usual routine matters that come before the Cabinet members. There was discussion on the Message on the State of the Union.

Q. Mr. President, can you indicate what you might have told them about excise taxes?

THE PRESIDENT. No. I will give you that in the message.

Q. Well, we wish you a Merry Christmas, too!

THE PRESIDENT. Thank you.

Reporter: Thank you, Mr. President.

NOTE: President Truman's two hundred and ninth news conference was held in his office at the White House at 4:02 p.m. on Thursday, December 22, 1949.

270 Exchange of Messages With Pope Pius XII. *December* 23, 1949

[Released December 23, 1949. Dated December 17, 1949]

Your Holiness:

The summons to peace on earth, good will toward men has come ringing down the ages, giving direction to the thought and the action of every human being whose life is lived according to God's purpose.

The significance of the divine call, personified in the birth and mission of the Savior, is increasingly visible in the record of history despite the vicissitudes oftentimes encountered on the long path of the centuries. It is found in the progress that man is making toward a better world. It is found in the humanitarian help given to lighten the burden of suffering wherever it has overtaken men, women and children. It is found in the steady achievement of friendly, mutually helpful relations among most of the world's peoples today, living indeed as Good Neighbors. It is found in the efforts of these peoples to persuade and encourage the leaders of the few nations not following this path to an enlightened and advancing world order founded on morality, justice, truth and freedom to permit their peoples to live also as Good Neighbors, and to join with the multitude in striving to build a world wholly and truly at peace.

It is at this Christmastide when, consecrating ourselves afresh to the service of mankind and meditating on the glorious lessons for man taught by the life of the Savior, all men of good will can again feel in their hearts the inward peace that is the Well-Spring of the Good Life. To bring a just, enduring peace among the nations is the great task that beckons still ahead and calls for re-dedication.

Mindful of its Christian heritage, and of the moral tenets that alone can lead to the Good and the True in the lives of the far-flung community of the nations as in the lives of individuals, the United States gladly rededicates its efforts to the creation of a peaceful and advancing world order. This is my message to you for the most blessed day of the year.

Faithfully yours,

HARRY S. TRUMAN

[His Holiness Pope Pius XII, Vatican City, Italy]

NOTE: The Pope's reply, dated December 20 and released with the President's message, follows:

Your Excellency:

We have just received your kind letter of December 17, 1949, which has been presented to us personally by Mr. Myron C. Taylor.

While once again bidding a cordial welcome to your worthy personal representative, we hasten to express our appreciation of the noble sentiments which inspire your Christmas message.

Your Excellency has appropriately made reference to the great benefits that the birth and mission of the Divine Redeemer have brought to mankind.

Indeed, salvation will not come for the world until mankind, deriving its inspiration from the teachings and example of Christ, comes to recognize that all men are children of the One Father who is in Heaven, destined to be truly brothers through union with His Divine Son, Whom He sent to be Redeemer of all.

Only this brotherhood gives to man, with the highest sense of personal dignity, assurance of true equality, the necessary basis of justice.

Only this brotherhood guarantees the gift of true liberty in the enjoyment of our rights and in the fulfillment of our duties in obedience to the laws given by Almighty God and His Divine Son for the morality and sanctity of human life.

Only this brotherhood inspires, nourishes, and revives in the hearts of men that true charity which abhors all oppression and violence; which rises above egoism, whether in individuals or peoples; which is able to sacrifice itself for the common good and to give generously of itself to the destitute and to relieve those who are suffering.

These are the foundations upon which must be built the structure of peace—this also a gift of the Divine Saviour—a peace which is real and solid, just and enduring.

Toward the attainment of this peace, we have ever dedicated all our efforts: first, that war be averted; later, that its destruction and resulting griefs be circumscribed; and now, to lessen the sorrowful consequences that still today press heavily on so large a part of the human family.

In this beneficent work of Christian charity, we are pleased once again to recall—that it may be recorded to their honor—the cordial understanding and the valued cooperation of the people of the United States. In this generosity, so bounteous and spontaneous, we recognize with pleasure, and hold up as an example to all, that good will which, according to the Christmas message of the angels, gives glory to God and hastens the coming of peace on earth.

We invoke the light, assistance and blessing of the Christ Child upon Your Excellency's person and work, as well as upon all your fellow citizens, who courageously strive to find and follow the road leading to a peaceful future for mankind.

PIUS XII

271 Address in Connection With Lighting of the National Community Christmas Tree on the White House Grounds. *December* 24, 1949

[Broadcast nationally at 5:15 p.m.]

My fellow countrymen:

To each, to all, a Merry Christmas.

Once more I have come out to Independence to celebrate Christmas with my family. We are back among old friends and neighbors around our own fireside. Christmas is the great epic of home. Our homecoming here on this Christmas Eve in familiar surroundings sanctified by family associations through the years—memories of joys and sorrows, of life and death—is typical of similar family gatherings all over the country.

The memories of most of us go back to childhood when we think of Christmas. After all, the first Christmas had its beginning in the coming of a Little Child. It remains a child's day, a day of childhood love and of childhood memories. That feeling of love has clung to this day down all the centuries from the first Christmas. There has clustered around Christmas Day the feeling of warmth, of kindness, of innocence, of love—the love of little children—the love for them—the love that was in the heart of the Little Child whose birthday it is.

Through that child love, there came to all mankind the love of a Divine Father and a Blessed Mother so that the love of the Holy Family could be shared by the whole human

family. These are some of the thoughts that came to mind as I gave the signal to light our National Christmas Tree in the south grounds of the White House.

Sitting here in my own home, so like other homes all over America, I have been thinking about some families in other once happy lands. We must not forget that there are thousands and thousands of families homeless, hopeless, destitute, and torn with despair on this Christmas Eve. For them as for the Holy Family on the first Christmas, there is no room in the inn. Among these families—broken with the tragedy of homelessness—are myriads of little children who have never known what it was to have a home or a country that they or their parents or their brothers and sisters could call their own.

Let us not on this Christmas, in our enjoyment of the abundance with which Providence has endowed us, forget those who, because of the cruelty of war, have no shelter—those multitudes for whom, in the phrase of historic irony, there is no room in the inn.

In this blessed season, let not blind passion darken our counsels. We shall not solve a moral question by dodging it. We can scarcely hope to have a full Christmas if we turn a deaf ear to the suffering of even the least of Christ's little ones.

Since returning home, I have been reading again in our family Bible some of the passages which foretold this night. It was that grand old seer Isaiah who prophesied in the Old Testament the sublime event which found fulfillment almost 2,000 years ago. Just as Isaiah foresaw the coming of Christ, so another battler for the Lord, St. Paul, summed up the law and the prophets in a glorification of love which he exalts even above both faith and hope.

We miss the spirit of Christmas if we consider the Incarnation as an indistinct and doubtful, far-off event unrelated to our present problems. We miss the purport of Christ's birth if we do not accept it as a living link which joins us together in spirit as children of the ever-living and true God. In love alone—the love of God and the love of man—will be found the solution of all the ills which afflict the world today. Slowly, sometimes painfully, but always with increasing purpose, emerges the great message of christianity: only with wisdom comes joy, and with greatness comes love.

In the spirit of the Christ Child—as little children with joy in our hearts and peace in our souls—let us, as a nation, dedicate ourselves anew to the love of our fellowmen. In such a dedication we shall find the message of the Child of Bethlehem, the real meaning of Christmas.

272 Statement by the President on the Occasion of the Independence of Indonesia. *December* 28, 1949

IT IS with pleasure that I greet the people of a new sovereign state, the people of the Republic of the United States of Indonesia, and congratulate you and your great leader, President Sukarno, on the attainment of Indonesian independence.

The world has seen a nation grow in the vast archipelago of Indonesia. A new republic now has emerged from the chaos and disruption of war a new state is demonstrating that it will follow a course of peace and order so that all men in Indonesia may work

fruitfully in your richly endowed islands to fulfill the promise of a new era.

The leaders of Indonesia have shown their statesmanship in reaching with the Netherlands unanimity of agreement at The Hague Conference and in supporting that agreement in the halls of government in Indonesia. Through wholehearted cooperation in bringing about this agreement, the leaders of the Indonesian and of the Dutch peoples have strengthened and contributed to the development of the United Nations. They have gained for the people of Indonesia sovereignty and for the people of the Netherlands good will and assurances of fair treatment.

The United States will welcome the Republic of the United States of Indonesia into the community of free nations and looks forward to Indonesia's admission to membership in the United Nations. Indonesia has already demonstrated that the goal of the new state will be true nationalism for Indonesia and that aggressive acts and efforts on the part of foreign dictatorships to subvert this newly won independence will be resisted with vigilance. Indonesia may count upon the sympathy and support of all who believe in democracy and the right of self-government.

Mr. H. Merle Cochran, who has served with distinction as the United States representative upon the United Nations Commission for Indonesia, has presented his credentials in Djakarta as the first American Ambassador to Indonesia. I know that he has many friends among you and that he will renew these friendships and make many more. As America's envoy to Indonesia, he brings you the good wishes and assurances of friendship of the American people. It will be his privilege to further the full and sympathetic understanding between the American and the Indonesian peoples.

I express the sentiments of the American people when I say that I am truly glad that the people of Indonesia have attained statehood by the way of peaceful and cooperative agreement with the Netherlands.

273 Joint Statement Following Discussions With the Shah of Iran. *December* 30, 1949

HIS IMPERIAL Majesty, Mohammed Reza Pahlavi, Shahinshah of Iran, today completed his tour of the United States and departed for Iran. The Shah came to this country at the invitation of the President and his visit has enabled him to become acquainted at first hand with the United States and its institutions. The President said today that the existing friendly relations with Iran have been strengthened still further by the Shah's visit. The President is most happy that His Majesty has paid the United States the honor of this visit, which enabled not only the President but many officials of the Government, as well as the American people, more clearly to know and understand Iran, its great traditions, and its present achievements and objectives.

Following a stay of several days in Washington, the Shah visited many parts of the country and inspected various institutions and industrial and agricultural enterprises whose technical operation might be usefully applied in Iran. He also saw military, naval, and air installations. His Majesty had the opportunity of meeting civic, industrial and

educational leaders, as well as other representatives of broad segments of the American population.

While in Washington His Majesty had conversations with the President, the Secretary of State and other senior officials of the United States Government. These conversations took place in an atmosphere of frankness and cordiality, and the interchange of views was most valuable in arriving at a mutual understanding of problems in which both the United States and Iran have interest. Pursuant to these conversations His Majesty and the President have decided to issue the following joint statement on the relations between the two countries:

"His Imperial Majesty, the Shah of Iran, and the President of the United States have examined the relations between their two countries and the problems which they face in common. In the course of their conversations it has been brought out that:

"1. They believe the United Nations offers the best means of assuring a peaceful world. Both countries will continue to give the United Nations their unfaltering support and to work in close cooperation with it and its agencies.

"2. A serious threat to international peace and security anywhere in the world is of direct concern to the United States. As long ago as December 1, 1943, when President Roosevelt, Prime Minister Churchill, and Marshal Stalin signed the Three Power Declaration at Tehran, the United States made clear its desire for the maintenance of the independence and integrity of Iran. The great interest of the United States in this regard has been repeatedly affirmed in its foreign policy declarations and the United States Government intends to continue that policy.

"3. His Imperial Majesty believes, and the President concurs, that the ability of any country to maintain its independence is based on a sound and prosperous economy. For this reason, as far back as 1946, upon His Majesty's advice, the Iranian Government took steps to prepare a Seven-Year Plan for economic and social progress which now, embodied into law, is being carried out with all the means at the Government's disposal. The President appreciates the importance of this program to the economic development of Iran, and applications by the Iranian Government to the International Bank for Reconstruction and Development for economically justifiable loans to be used in the furtherance of the program will therefore receive the support of the United States. Subject to favorable Congressional action on the Point IV program, the United States also stands ready to facilitate Iranian economic development through the provision under Point IV and otherwise of technical advisory assistance if requested by Iran. His Majesty welcomes the assistance envisaged under the Point IV program and is particularly aware of the desirability of increased investments of private capital in the Iranian economy. The Iranian Government will consider measures to be taken to encourage such investments.

"4. It is the policy of the United States to help free peoples everywhere in the maintenance of their freedom wherever the aid which it is able to provide can be effective. As the result of recent Congressional authorization, and in response to the request of the Government of Iran, the Government of the United States is currently prepared to offer certain military assistance essential to enable Iran, as a nation dedicated to the purposes and principles of the United Nations Charter, to develop effective measures for its self-defense in support of those

purposes and principles. The United States will continue to bear in mind Iran's defense needs in connection with further foreign assistance which may be considered by the United States Government."

274 Statement by the President on the United Nations Economic Survey Mission to the Middle East. *December* 30, 1949

HAVING completed his task as Chairman of the United Nations Economic Survey Mission to the Middle East, Gordon R. Clapp, Chairman of the Board of the Tennessee Valley Authority, has called on me to discuss the results of his work in the Near East.

The mission, which was composed of experts from a number of member states of the United Nations, was created upon the recommendation of the United Nations Palestine Conciliation Commission. Its duties were to examine the economic situation arising from the recent hostilities in the Near East and to recommend means for overcoming economic dislocations, for reintegrating the refugees into the economic life of the area and for creating economic conditions conducive to the establishment of permanent peace.

When Mr. Clapp's appointment was announced by the Secretary General of the United Nations on August 26, I took the occasion to pledge the full support of this Government to the Economic Survey Mission as well as to other efforts by the United Nations to settle differences and achieve peace in the Near East. It seemed clear to me that such endeavors coincided precisely with our hopes that the governments and peoples of the Near East might soon be in position to devote the full measure of their abilities and resources to their economic and social betterment.

During the past 4 months, Mr. Clapp and his colleagues have conducted an intensive study of economic conditions in Palestine and neighboring countries. The recommendations which they have formulated are incorporated in two United Nations documents, the first an "Interim Report" submitted on November 18, and the second a final report which will shortly be released by the United Nations.

In its "Interim Report" the survey mission considered the tragic plight of some three quarters of a million refugees, rendered homeless by the Palestine conflict. That these destitute people are still alive today is credited largely to the efforts of the United Nations Relief for Palestine Refugees, whose funds will be exhausted early in January. The Economic Survey Mission has recommended a renewed relief program including a public works program to provide the refugees with gainful employment and to permit them to be of greater service both to themselves and to the lands now giving them asylum.

Mr. Clapp has indicated that the second report of the Economic Survey Mission will deal with prospects for long-range development in the Near East. He believes that the potentialities of the region are great, but that it will be necessary to move slowly and carefully if the best results are to be achieved.

On December 8, the General Assembly of the United Nations unanimously passed a resolution based on the Interim Report of the Economic Survey Mission. It called for a United Nations refugee program terminating June 30, 1951, and involving the expenditure of $54,900,000, to be provided by

international contribution. The unanimity of the vote was appropriate testimony to the success of the work done by the Mission as it was also unmistakable indorsement of the need for international assistance to the Palestine refugees.

In accord with my previously expressed intention to give careful consideration to such assistance as we might appropriately render in carrying out the recommendations of the survey mission, legislation is now in preparation for presentation to the Congress requesting authorization for this Government to assume its share in the cost of the program proposed by the United Nations for the Near East. The success of the program depends on a large measure of international cooperation, and I feel certain that other member states of the United Nations will assume their shares of this burden.

Mr. Clapp and his colleagues on the Economic Survey Mission have our thanks for the important public service which they have rendered.

NOTE: For the statement by the President on the appointment of Gordon R. Clapp as Chairman of the Economic Survey Mission, see Item 193.

The Mission issued two reports: "United Nations Economic Survey Mission for the Middle East, 1st Interim Report" (Government Printing Office: 1949, 11 pp.), and "Final Report; An Approach to Economic Development in the Middle East" (Columbia University Press: 1949, 177 pp.).

Appendix A—White House Press Releases

NOTE: Includes releases covering matters with which the President was closely concerned, except announcements of Presidential personnel appointments and approvals of legislation with which there was no accompanying statement.

Releases relating to Proclamations and Executive orders have not been included. These documents are separately listed in Appendix B.

For list of Press and Radio Conferences, see subject index under "News conferences."

January

1 White House statement announcing recognition of the Government of Korea

5 Annual message to the Congress on the State of the Union

5 White House announcement of transfer of programs in Korea from the Army to civil agencies

6 Letter to the President of the Senate and to the Speaker of the House urging pay increases for Federal executives

7 Letter accepting resignation of George C. Marshall as Secretary of State

7 Letter accepting resignation of Robert A. Lovett as Under Secretary of State

7 Special message to the Congress: The President's Economic Report

8 Letter to the Chairmen, Senate Finance and House Ways and Means Committees, on extending the Trade Agreements Act

10 Statement by the President on air power

10 Annual budget message to the Congress: Fiscal Year 1950

13 Special message to the Senate transmitting a Convention of the World Meteorological Organization

13 Letter to agency heads revoking order, "For Conservation of Fuel Oil, Gasoline, and Gas"

13 Special message to the Congress transmitting report on foreign service retirement and disability system, fiscal year 1948

13 Message to the Congress transmitting the first annual report of Philippine Alien Property Administration, fiscal year 1947.

13 Special message to the Senate transmitting Charter of the Organization of American States

13 Special message to the Senate transmitting protocol regarding regulation of production and marketing of sugar

January

13 Special message to the Senate transmitting Inter-American Convention on the Granting of Political Rights to Women

13 Special message to the Senate transmitting International Convention for the Safety of Life at Sea

13 Special message to the Senate transmitting Convention on the International Recognition of Rights in Aircraft

17 Special message to the Congress requesting permanent reorganization legislation

17 Special message to the Senate transmitting Convention on Wage and Hour Statistics in Principal Mining and Manufacturing Industries

18 Letter accepting resignation of Emmet O'Neal as Ambassador to the Philippines

18 Message in response to Governor Dewey's inaugural greetings

18 Remarks at the Truman-Barkley Dinner

19 Remarks at a luncheon of the Finance Committee of the Democratic National Committee

19 Remarks at a dinner of the Presidential Electors Association

20 Remarks at the Battery D breakfast

20 White House release concerning the Bibles to be used at the inaugural ceremony

20 Inaugural address

21 Remarks to the Women's Division of the Democratic National Committee

25 White House release announcing supplemental estimates of appropriations

26 White House announcement of proposed visit of the President of Brazil

27 White House announcement of proposed visit of the Prime Minister of Canada

27 White House announcement of request for additional funds for disaster relief

Appendix A

January

27 Special message to the Congress concerning relief to Palestine refugees

29 Letter to Secretary Forrestal ordering use of military funds for disaster relief in the mid-western storm area

31 Special message to the Congress transmitting report of National Capital Housing Authority, fiscal year 1948

31 White House statement announcing recognition of the Government of Transjordan

31 White House statement announcing recognition of the Government of Israel

February

1 Remarks to the National Planning Association

2 White House release concerning the naming of the U.S.S. *United States*

2 Letter to the Governors convening the Highway Safety Conference

2 White House announcement of postponement of visit of President of Israel

2 White House release announcing appointment of members of Assay Commission

2 Special message to the Senate transmitting Conventions, etc., of International Labor Conference

3 Remarks to young representatives from Marshall plan countries

7 Statement by the President on the toll taken by heart diseases

7 Special message to the Congress transmitting report of Air Coordinating Committee, fiscal year 1948

7 Report of Air Coordinating Committee, fiscal year 1948

8 Letter accepting resignation of Mark E. Andrews as Assistant Secretary of the Navy

11 Letter accepting resignation of John Nicholas Brown as Assistant Secretary of the Navy for Air

14 Letter accepting resignation of Garrison Norton as Assistant Secretary of State

14 Special message to the Congress transmitting 27th lend lease report

14 Special message to the Congress transmitting second report of Economic Cooperation Administration

17 Letter to the President of the Senate transmitting appropriation estimate for White House repairs

17 Message to the Congress transmitting 65th annual report of Civil Service Commisison

February

18 Remarks to officers of the Veterans of Foreign Wars

19 Letter accepting resignation of William H. Draper, Jr., as Under Secretary of the Army

19 Statement by the President reactivating the United Service Organizations

21 Special message to the Congress transmitting bill extending the Institute of Inter-American Affairs

21 White House release concerning the message on the Institute of Inter-American Affairs

22 Remarks at a dinner in honor of General Vaughan given by the Reserve Officers Association

23 Remarks at a savings bond drive dinner

24 Statement by the President on the armistice between Egypt and Israel

24 Remarks at the Jefferson-Jackson Day Dinner at the Mayflower Hotel

24 Address at the Jefferson-Jackson Day Dinner at the Statler Hotel

25 Letter to Senate and House Committee Chairmen on the Folsom Dam

28 Radio address opening the Red Cross fund campaign

March

2 Message to the Congress transmitting quarterly reports of expenditures under the United Nations Relief and Rehabilitation Administration

2 White House release announcing consolidated supplemental appropriation estimates

2 Statement by the President: The 100th anniversary of the Department of the Interior

3 Remarks to a group from the Eighth Annual Science Talent Search

3 Letter accepting resignation of James Forrestal as Secretary of Defense

3 Special message to the Senate transmitting protocol on international control of drugs

4 Special message to the Congress on reorganization of the State Department

4 Memorandum on civil defense planning

4 Remarks to representatives of the American Legion

5 Special message to the Congress on reorganization of the National Military Establishment

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March

7 White House release concerning emergency board report on dispute involving Denver and Rio Grande Railroad

8 Address at Rollins College, Winter Park, Fla.

12 Special message to the Congress transmitting tax convention with Belgium

12 Special message to the Senate transmitting notes, U.S.–Canada, relating to diversion of waters of the Niagara River

14 Special message to the Congress transmitting report of National Advisory Council on International Monetary and Financial Problems

14 Special message to the Congress transmitting report of Secretary of State

17 Letter accepting resignation of John R. Alison as Assistant Secretary of Commerce

17 Special message to the Congress transmitting sixth report on assistance to Greece and Turkey

18 Remarks at graduation ceremonies, Fleet Sonar School, U.S. Naval Base, Key West, Fla.

21 Address before the United States Conference of Mayors

23 Special message to the Senate transmitting Convention with Mexico Establishing an International Commission for the Scientific Investigation of Tuna

23 Address before the President's Conference on Industrial Safety

23 Remarks at a testimonial dinner for Secretary Forrestal

23 Emergency board report on dispute at Northwest Airlines, Inc.

24 Letter accepting resignation of Josiah Marvel, Jr., as Ambassador to Denmark

24 Statement by the President upon signing resolution for the relief of Palestine refugees

24 Special message to the Congress transmitting report of Railroad Retirement Board, fiscal year 1948

25 Letter to the President of the Senate and to the Speaker of the House on establishing a Commission on the Renovation of the White House

25 Letter accepting resignation of Walter Bedell Smith as Ambassador to the Soviet Union

25 Citation accompanying Distinguished Service Medal awarded to Fleet Adm. William D. Leahy

25 Statement by the President on the 128th anniversary of the independence of Greece

March

25 Special message to the Congress transmitting report of the Governor of the Panama Canal, fiscal year 1948

26 Radio address as part of interdenominational program, "One Great Hour"

28 Citation accompanying Distinguished Service Medal awarded to James Forrestal

28 Remarks at a dinner for Secretary of Defense Louis Johnson

30 Statement by the President upon signing the Housing and Rent Act

April

2 Statement by the President upon signing bill providing for an Under Secretary of Defense

3 Message from Prime Minister Attlee on the anniversary of the signing of the Foreign Assistance Act

4 Address on the occasion of the signing of the North Atlantic Treaty

4 Toasts of the President and the Prime Minister of Belgium

5 Special message to Congress transmitting report of National Advisory Committee for Aeronautics

6 Remarks to a group of new Democratic Senators and Representatives

7 Exchange of messages between the President and Prime Minister Attlee on the anniversary of the signing of the Foreign Assistance Act

8 Statement by the President making public the first report of the President's Committee on Religion and Welfare in the Armed Forces

8 Remarks at a supper for the Jefferson-Jackson Day Executive Committee

8 First report of the President's Committee on Religion and Welfare in the Armed Forces

8 Emergency board report on dispute at Wabash Railroad Co. and Ann Arbor Railroad Co.

11 Emergency board report, dispute involving Akron, Canton and Youngstown Railroad Co.

12 Special message to the Senate transmitting the North Atlantic Treaty

12 Message from the Premier of France on the anniversary of the signing of the Foreign Assistance Act

12 Remarks on the floor of the Senate on the fourth anniversary of the death of President Roosevelt

13 Special message to the Congress recommending establishment of a Columbia Valley Administration

Appendix A

April

14 White House statement regarding supplementary budget estimate for the Veterans Administration

15 Statement by the President commending the National Capital Sesquicentennial Commission

15 Remarks to members of the National Conference of Business Paper Editors

18 Statement by the President making public the report of the Commission on Labor Relations in Atomic Energy Installations

18 Summary of report of the President's Commission on Labor Relations in Atomic Energy Installations

18 Report of President's Commission on Labor Relations in Atomic Energy Installations

19 Special message to the Senate transmitting the International Wheat Agreement

19 Address and remarks at a dinner honoring volunteers in the savings bond campaign

21 Remarks to members of the Associated Church Press

21 Letter accepting resignation of Kenneth C. Royall as Secretary of the Army

22 Special message to the Congress on the Nation's health needs

22 Remarks at a meeting with the American Society of Newspaper Editors

25 Veto of bill for the relief of Sylvia M. Misetich (Congressional Record, vol. 95, p. 5004)

25 Veto of bill for the relief of R. C. Owen, R. C. Owen, Jr., and Roy Owen (Congressional Record, vol. 95, p. 5005)

25 Veto of bill for the relief of Mamie L. Hurley (Congressional Record, vol. 95, p. 5004)

25 Veto of bill relating to claims of Hilda Links, E. J. Ohman, and Fred L. Kroesing (Congressional Record, vol. 95, p. 5003)

26 Statement by the President upon appointing William H. Davis as Chairman of the Atomic Energy Labor Relations Panel

26 Letter accepting resignation of John L. Sullivan as Secretary of the Navy

28 Special message to the Congress transmitting the Charter for the International Trade Organization

29 Statement by the President's Committee on Religion and Welfare in the Armed Forces

May

2 White House release announcing receipt of report of Board of Visitors to U.S. Naval Academy

May

2 Remarks to the National Association of Radio Farm Directors

3 Remarks to members of the Agricultural Editors Association

3 Statement by the President upon releasing General Clay following the agreement to lift the Berlin blockade

6 Letter accepting resignation of W. John Kenney as Under Secretary of the Navy

6 Emergency board report regarding the Railway Express Agency, Inc.

7 Emergency board report on dispute between the Southern Pacific Co. and certain of its employees

9 Special message to the Congress on reorganization of the executive branch of the Government

9 Letter accepting resignation of Robert F. Bacher as member, Atomic Energy Commission

9 Special message to the Senate transmitting copy of the International Convention for the Northwest Atlantic Fisheries

12 Statement by the President upon signing temporary appropriations bill

12 White House announcement of forthcoming visit of the Prime Minister of India

12 Message to the Congress transmitting third annual report on U.S. participation in the United Nations

16 Radio remarks opening the Opportunity Savings Bond Drive

16 Message to the Congress transmitting third report of Economic Cooperation Administration

17 Citation accompanying Distinguished Service Medal awarded to Gen. Lucius D. Clay

17 Letter to Mon C. Wallgren regarding withdrawal of his nomination as chairman, National Security Resources Board

18 Letter to the Secretary of the Interior on the transfer of the Pacific Islands to civilian administration

18 White House announcement of nomination of John J. McCloy as U.S. High Commissioner for Germany and Chief of Mission

18 Statement by the President's Committee on Religion and Welfare in the Armed Forces

18 Remarks of welcome to the President of Brazil at the Washington National Airport

18 Remarks at Washington Post Square

18 Remarks and toasts at a dinner in honor of President Dutra of Brazil

Appendix A

May

19 Letter to Harvey S. Firestone, Jr., in response to his report on the United Service Organizations

19 Remarks to members of the Brazilian press

20 Toasts of the President and President Dutra at a dinner at the Brazilian Embassy

20 Statement by the President on activating a generator at Grand Coulee Dam

20 Message to the President from the Power House Control Room at Grand Coulee Dam, after the President had thrown the switch

21 Joint statements following discussions with the President of Brazil

21 Emergency board report regarding dispute between Aliquippa and Southern Railroad Company and certain of its employees

25 Letters accepting resignations of Selden Chapin as Minister to Hungary and Albert F. Nufer as Ambassador to El Salvador

25 Remarks upon receiving the Robert S. Abbott Memorial Award

25 Remarks to the President's Conference on Community Responsibility to our Peacetime Servicemen and Women

26 Statement by the President upon receiving final report of the Hoover Commission

26 Letter accepting resignation of Charles E. Saltzman as Assistant Secretary of State

26 Statement by the President in support of David Lilienthal and the Atomic Energy Commission

31 Letter accepting resignation of Howard Bruce as Deputy Administrator for Economic Cooperation

June

2 Address to the President's Conference on Highway Safety

2 Remarks to the foreign delegates of the Inter-American Bar Association

3 Letter accepting resignation of Robert K. McConnaughey, member, Securities and Exchange Commission

5 Address at a dinner in honor of Gen. George C. Marshall

6 White House statement announcing designation of John McCloy as the Chief Representative of the Economic Cooperation Administration in Germany

6 Message to the Congress transmitting the 19th quarterly report of UNRRA

June

7 Special message to the Congress recommending continuation of economic assistance to Korea

7 Veto of bill for the relief of E. LaRee Smoot (Congressional Record, vol. 95, p. 7384)

10 White House announcement of requests for supplemental appropriations

10 Remarks at the Robinson Auditorium in Little Rock

10 Remarks at a reception in Little Rock

10 Remarks at a ball in Little Rock

11 Remarks at the Battery D breakfast in Little Rock

11 Remarks at the Governor's luncheon in Little Rock

11 Address in Little Rock at the dedication of the World War Memorial Park

14 Letter accepting resignation of Joseph E. Jacobs as Ambassador to Czechoslovakia

16 Special message to the Senate transmitting Convention on the Prevention and Punishment of the Crime of Genocide

16 Remarks to the delegates to the National 4-H Club camp

17 Statement by the President upon signing bill for the relief of Frederick W. Lass

17 Statement by the President upon signing bill continuing suspension of annual assessment work on mining claims

17 Remarks to delegates to the National Conference of Boy Governors

17 Letter to the Speaker on the housing bill

20 Special message to the Congress upon signing the Reorganization Act

20 Summary of Reorganization Plans transmitted to the Congress, June 20, 1949

20 Message to the Congress transmitting Reorganization Plan 1 of 1949 establishing a Department of Welfare

20 Message to the Congress transmitting Reorganization Plan 2 of 1949: Bureau of Employment Security

20 Message to the Congress transmitting Reorganization Plan 3 of 1949: Post Office Department

20 Message to the Congress transmitting Reorganization Plan 4 of 1949; National Security Council and National Security Resources Board

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June

20 Message to the Congress transmitting Reorganization Plan 5 of 1949: Civil Service Commission

20 Message to the Congress transmitting Reorganization Plan 6 of 1949: United States Maritime Commission

20 Message to the Congress transmitting Reorganization Plan 7 of 1949: Public Roads Administration

20 Statement by the President upon signing bill extending certain benefits to reservists and national guardsmen

21 Veto of bill relating to claims of J. N. Jones and others (Congressional Record, vol. 95, p. 8059)

21 Statement by the President reporting on the Paris meeting of the Council of Foreign Ministers

22 Letter accepting resignation of Donald F. Carpenter as Chairman, Munitions Board

22 Special message to the Senate transmitting Convention Between the United States and Costa Rica for the Establishment of an Inter-American Tropical Tuna Commission

23 Special message to the Congress on the need for raising the salaries of Federal executives

23 Letter to Senator O'Mahoney upon signing resolution authorizing the publication of "Economic Indicators"

24 Special message to the Congress recommending point 4 legislation

24 Special message to the Congress recommending further reorganization of the Post Office Department

28 Message to the Congress transmitting 99th annual report of the Panama Railroad Company

30 Statement by the President upon signing the Virgin Islands Corporation Act

30 Special message to the Congress transmitting report on highway needs

30 White House statement on the signing of the Federal Property and Administrative Service Act of 1949

30 Letter accepting resignation of Stanton Griffis as Ambassador to Egypt

July

2 Letter to agency heads on implementation of the Federal Property and Administrative Services Act of 1949

5 Veto of bill for the relief of the city of Reno, Nev.

5 Statement by the President on Government printing and binding

July

5 Message to the Congress transmitting report of the National Advisory Council on International Monetary and Financial Problems

7 Letter to Richard P. Butrick regarding his resignation as Minister to Iceland and appointment as Director General of the Foreign Service

9 Letter to the Chairman of the House Judiciary Committee on the problem of concentration of economic power

9 Memorandum directing agency cooperation with the subcommittee investigating the antitrust laws

11 Veto of bill to amend the Contract Settlement Act of 1944

11 Special message to the Congress: The President's Midyear Economic Report

12 White House release announcing request for supplemental appropriations

12 Telegram urging management and labor leaders to postpone the steel strike

13 Further telegrams to leaders in the steel labor dispute

13 Radio and television report to the American people on the state of the national economy

14 Memorandum to agency heads on the channeling of Federal procurement, etc., programs to areas of economic distress

15 Message to the Congress transmitting annual report of the Office of Alien Property

15 Message to the Congress transmitting 28th report on lend-lease operations

15 Statement by the President upon signing the Housing Act of 1949

18 Message to the Congress transmitting Reorganization Plan 8 of 1949: Department of Defense

18 Letter from Samuel I. Rosenman regarding his appointment as a member of the steel industry factfinding board

19 Veto of bill for the relief of James Fred Girdley and Percy Bridgewater (Congressional Record, vol. 95, p. 9738)

19 Veto of bill relating to a claim of Mrs. Oteein Foxworth (Congressional Record, vol. 95, p. 9738)

19 Statement by the President upon signing bill for the relief of Myrtle Ruth Osborne, Marion Walts, and Jessie A. Walts

19 Address in Chicago before the Imperial Council Session of the Shrine of North America

19 Remarks in Chicago at the Shriners Diamond Jubilee Banquet

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July

20 White House statement on the establishment of an Interagency Advisory Committee on Synthetic Rubber Legislation

25 Statement by the President upon ratification of the North Atlantic Treaty

25 Special message to the Congress on the need for a military aid program

25 Letter to the Speaker on home rule for the District of Columbia

26 Remarks to a group of German editors and publishers

27 White House announcement of forthcoming visit of the President of the Republic of the Philippines

28 Special message to the Senate transmitting estate and inheritance tax convention with Norway

28 Special message to the Senate transmitting income tax convention with Norway

28 Statement by the President following consultations on atomic energy problems

29 Statement by the President upon signing order providing for a management improvement program in the executive branch

29 Statement by the President upon signing bill providing Federal assistance to the Fort Sumner irrigation district, New Mexico

August

1 Statement by the President reviewing the Nation's atomic energy program

1 Special message to the Congress transmitting seventh report on assistance to Greece and Turkey

2 Emergency board report on dispute between Union Railroad Company and certain of its employees

3 Remarks to the American Legion Boys Forum of National Government

4 Statement by the President on U.S. relations with China

5 Veto of bill for the relief of Hayward O. Brandon (Congressional Record, vol. 95, p. 10805)

5 Veto of bill for the relief of William D. Norris (Congressional Record, vol. 95, p. 10804)

5 Veto of bill for the relief of Arthur C. Jones (Congressional Record, vol. 95, p. 10805)

6 Emergency board report on dispute between the Missouri Pacific Railroad Co., and certain of its employees

8 Remarks of welcome to President Quirino of the Philippines at Washington National Airport

August

8 Toasts of the President and President Quirino at the state dinner

9 Veto of bill amending provisions relating to the retirement of reserve personnel

9 Veto of bill to provide without charge certain information from the census records

9 Toasts of the President and President Quirino at a dinner in honor of President Truman

10 Special message to the Senate withdrawing certain obsolete treaties

10 Statement by the President upon signing the National Security Act Amendments of 1949

11 Joint statement following discussions with the President of the Philippines

11 Letter to General Eisenhower thanking him for his services as presiding officer of the Joint Chiefs of Staff

12 Letter to the Vice President on Reorganization Plans 1 and 2 of 1949

13 Statement by General Vaughan on the deep freeze units

15 White House release regarding the financial success of the 1949 inaugural program

19 Letter accepting resignation of William L. Clayton as Alternate Governor for the United States of the International Bank for Reconstruction and Development and of the International Monetary Fund

19 Letter accepting resignation of Herman B. Baruch as Ambassador to the Netherlands

22 Letter to the Speaker concerning irrigation in the Grand Prairie area of Arkansas

22 Address in Miami at the Golden Jubilee Convention of the Veterans of Foreign Wars

23 Veto of bill for the construction and operation of the Vermejo reclamation project, New Mexico

23 Veto of bill for the relief of Mrs. T. A. Robertson (Congressional Record, vol. 95, p. 12094)

23 Veto of bill for the relief of Pearson Remedy Co. (Congressional Record, vol. 95, p. 12094)

23 Veto of bill for the relief of Jansson Gage Co. (Congressional Record, vol. 95, p. 12095)

23 Remarks to a group of South Carolinians

23 Remarks to a group of exchange teachers from Great Britain

24 Statement by the President on the coming into effect of the North Atlantic Treaty

August

24 Remarks at the swearing in of Associate Justice Tom Clark

24 Remarks at a dinner honoring William Boyle, new Chairman of the Democratic National Committee

25 Letter to chairman, Senate Committee on Public Works, on irrigation in the Grand Prairie area of Arkansas

25 Remarks to the delegates of Girls Nation

25 Special message to the Congress transmitting fourth report of Economic Cooperation Administration

26 Statement by the President on the appointment of Gordon R. Clapp as chairman of an economic survey mission to the Near East

27 Veto of bill relating to claims of the city of Needles, Calif., and the California-Pacific Utilities Co. (Congressional Record, vol. 95, p. 12524)

27 Message to the Senate transmitting convention on freedom of association and protection of the right to organize, adopted by the International Labor Conference

29 Remarks in Philadelphia at the American Legion Convention luncheon

29 Address in Philadelphia at the American Legion Convention

29 Remarks on receiving the American Legion's Distinguished Service Medal in Philadelphia

30 Statement by the President upon signing bill for the construction of the Weber Basin reclamation project, Utah

30 Remarks to the conference of the President's Committee on National Employ the Physically Handicapped Week

31 Telegram to the Governors concerning the Midcentury White House Conference on Children and Youth

September

1 Statement by the President: Labor Day

3 Statement by the President on Federal employees displaced by the reduction-in-force

5 Labor Day address at the Allegheny County Free Fair in Pittsburgh

5 Labor Day address in Des Moines at the convention of the American Veterans of World War II

7 Special message to the Congress transmitting recommendation of the Arlington Memorial Amphitheater Commission

September

7 Letter accepting resignation of Felix Cole as Ambassador to Ceylon

7 Emergency board report on dispute at the Southern Pacific Co.

8 Remarks to members of the National Committee for the Midcentury White House Conference on Children and Youth

9 Veto of bill to convey lands to the city of Miles City, Mont.

9 Letter accepting resignation of James Bruce as Ambassador to Argentina

9 Remarks to a group of Bishops of the Church of England

10 Statement by the President upon signing bill providing aid to local school agencies in federally affected areas

10 Telegram to labor and management leaders following receipt of report of the steel factfinding board

10 Report to the President by the Steel Industry Board

10 White House summary of report by the Steel Industry Board

13 Remarks at the joint meeting of the International Monetary Fund and the International Bank for Reconstruction and Development

15 Remarks to the National Citizens Committee for United Nations Day

19 Emergency board report on dispute between 160 railroads and the Brotherhood of Locomotive Firemen and Enginemen

21 Letter to steel industry labor and management leaders urging an early settlement of the dispute

22 Letter accepting resignation of Basil O'Connor as president of the American National Red Cross

23 Statement by the President on announcing the first atomic explosion in the U.S.S.R.

26 Letter to heads of departments and agencies requesting information to be included in the State of the Union Message and the Economic Report

26 Statement by the President upon signing the Trade Agreements Extension Act

26 Letter to the Vice President urging Senate action to raise the salaries of Federal executives

27 Radio address on Democratic Women's Day

29 Address in Kansas City at a dinner honoring Democratic National Chairman William M. Boyle, Jr.

September

30 Radio remarks opening the Community Chest campaign

October

4 Letter to Senator Johnson on the nomination of Leland Olds to the Federal Power Commission

4 Remarks at an officers luncheon, Fort Bragg, N.C.

5 Letter to John L. Sullivan accepting the honorary chairmanship of National Brotherhood Week

6 Statement by the President upon signing the Mutual Defense Assistance Act

7 Emergency board report on dispute at Monongahela Connecting Railroad Co.

10 White House statement on the need for the full amount authorized for military assistance

10 Summary of status of legislation relating to recommendations of the President, 81st Congress, 1st session

11 Veto of bill for the relief of George M. Ford (Congressional Record, vol. 95, p. 14285)

11 White House release concerning bids for the renovation of the White House

11 Remarks of welcome to Prime Minister Nehru of India at the Washington National Airport

12 Special message to the Congress upon signing bill to raise the pay of certain employees of the Veterans Administration

12 Veto of bill providing for Federal aid to State fish restoration and management projects

12 Veto of bill relating to claim of Mrs. Zelma Inez Cheek (Congressional Record, vol. 95, p. 14432)

12 Veto of bill for the relief of Mrs. Sarah E. Thompson (Congressional Record, vol. 95, p. 14431)

12 Veto of bill for the relief of Louise Peters Lewis (Congressional Record, vol. 95, p. 14433)

12 Remarks at a meeting with the Ambassadors to the Council of the Organization of American States

12 Letter accepting resignation of Edmond M. Hanrahan as Chairman, Securities and Exchange Commission

13 Letter accepting resignation of J. Klahr Huddle as Ambassador to Burma

13 White House statement on the first meeting of the President's Advisory Committee on Management Improvement

14 Veto of bill for the relief of Bunge North-American Grain Corporation, the Corporacion Argentina de Productores de Carnes, Herman M. Gidden, and the Overseas Metal and Ore Corporation (Congressional Record, vol. 95, p. 14626)

October

14 Veto of bill relating to the development of the fish, wildlife, and recreational aspects of the Colorado-Big Thompson Federal reclamation project

17 Veto of bill establishing a program in aid of the Navajo and Hopi Indians

18 Letter accepting resignation of Garland S. Ferguson as a member of the Federal Trade Commission

18 Veto of bill for the relief of Ernest J. Jenkins (Congressional Record, vol. 95, p. 14887)

19 The President's special conference with the Association of Radio News Analysts

19 Letter accepting resignation of Dr. Edwin G. Nourse as Chairman of the Council of Economic Advisers

19 Letter to the President of the Senate commending the 81st Congress for the accomplishments of the first session

20 Statement by the President on the construction program of the Atomic Energy Commission

21 Summary of status of legislation relating to recommendations of the President, 81st Congress, 1st session

24 Address in New York City at the cornerstone laying of the United Nations Building

24 Remarks at a luncheon in New York City on United Nations Day

26 Statement by the President upon signing the Fair Labor Standards Amendments

27 Memorandum on the transfer of Admiral Denfeld from the post of Chief of Naval Operations

27 Letter accepting resignation of Cavendish W. Cannon as Ambassador to Yugoslavia

28 Statement by the President upon signing the new Classification Act

28 Statement by the President upon signing bill providing for improved rural telephone facilities

29 Statement by the President upon signing the National Military Establishment Appropriation Act

29 Memorandum of disapproval of bill relating to the San Luis Valley project, Colo. (Congressional Record, vol. 95, p. 15045)

30 Radio address broadcast as part of the program "Religion in American Life"

Appendix A

October

31 Memorandum of disapproval of bill to authorize payments for the purchase of automobiles by certain disabled veterans (Congressional Record, vol. 95, p. 15046)

31 Statement by the President upon signing bill providing hospital care for Indian patients in New Mexico

November

1 Letter accepting resignation of Lawrence C. Kingsland as Commissioner of Patents

2 Remarks to the American Society of Civil Engineers

3 Remarks at a reception at the Hotel Lowry, St. Paul, Minn.

3 Remarks at a dinner at the Hotel Lowry, St. Paul, Minn.

3 Address in St. Paul, Minn.

3 Letter accepting resignation of Dr. Karl T. Compton as Chairman of the Research and Development Board of the Department of Defense

5 Radio address as part of a program sponsored by the Independent Citizens' Committee for Lehman for Senator

8 Remarks at the Women's National Democratic Club dinner

11 Address at a luncheon of the National Conference of Christians and Jews

11 Letter accepting resignation of Julius A. Krug as Secretary of the Interior

15 Fifth report of the Economic Cooperation Administration transmitted to the Congress

15 Address at the annual meeting of the National Council of Negro Women, Inc.

16 Remarks upon accepting report of the U.S. Committee for the U.N. International Children's Emergency Fund

16 Remarks of welcome to the Shah of Iran at the Washington National Airport

16 Toast of the President at the dinner in honor of the Shah of Iran

17 White House statement following a regional meeting to discuss U.S. policy in the Far East

18 White House statement following visit to the President by the Deputy Premiers of Greece

18 Toast of the President at a dinner given in his honor by the Shah of Iran

November

19 Letter accepting resignation of William H. Hastie as Governor of the Virgin Islands

22 Remarks to the delegates to the Food and Agriculture Organization of the United Nations

23 Exchange of messages with Prime Minister Nehru of India

23 Letter accepting resignation of David E. Lilienthal as Chairman of the Atomic Energy Commission

28 Special message to the Congress transmitting eighth report on assistance to Greece and Turkey

December

1 Report to the President by John R. Steelman on the channeling of procurement, etc., to economically distressed areas

13 Statement by the President in response to report "Issues Involved in a Unified and Coordinated Federal Program for Transportation"

13 Report by the Secretary of Commerce "Issues Involved in a Unified and Coordinated Federal Program for Transportation"

15 Report to the President by the President's Committee on Religion and Welfare in the Armed Forces, "Information and Education in the Armed Forces"

19 Letter accepting resignation of Alexander M. Campbell as Assistant Attorney General

21 Address at the unveiling of a memorial carillon in Arlington National Cemetery

23 Exchange of messages with Pope Pius XII

23 Letter accepting resignation of Sidney W. Souers as Executive Secretary of the National Security Council

24 Address in connection with lighting of the National Community Christmas Tree on the White House grounds

28 Statement by the President on the occasion of the independence of Indonesia

28 Letter accepting resignation of H. Merle Cochran as U.S. Representative on the U.N. Commission for Indonesia, and as Ambassador to Pakistan

29 Fourth annual economic report to the President by the Council of Economic Advisers

30 Joint statement following discussions with the Shah of Iran

30 Statement by the President on the United Nations Economic Survey Mission to the Middle East

Appendix B—Presidential Documents Published in the Federal Register

PROCLAMATIONS

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2826	Feb. 10	"I Am An American Day," 1949	635
2827	Feb. 12	Red Cross Month, 1949	679
2828	Feb. 24	Army Day, 1949	915
2829	Mar. 8	Supplementing Proclamations of December 16, 1947, and January 1, 1948, carrying out General Agreement on Tariffs and Trade and exclusive trade agreement with Cuba, respectively	1151
2830	Mar. 10	Cancer Control Month, 1949	1154
2831	Mar. 12	Further postponing the effective date of Proclamation 2775 of March 26, 1948, prescribing changes in Panama Canal toll rates	1154
2832	Mar. 28	Pan American Day, 1949	1407
2833	Mar. 28	National Farm Safety Week, 1949	1407
2834	Apr. 5	World Trade Week, 1949	1663
2835	Apr. 16	Child Health Day, 1949	1863
2836	Apr. 27	Mother's Day, 1949	2105
2837	May 7	National Maritime Day, 1949	2401
2838	May 19	Union of South Africa; suspension of tonnage duties	2681
2839	May 19	Israel, suspension of tonnage duties	2681
2840	May 22	Death of James Forrestal	2713
2841	May 24	Flag Day, 1949	2761
2842	May 26	Prayer for Peace, Memorial Day, 1949	2829
2843	May 31	Supplementing Proclamations of November 10, 1942, and December 3, 1942, proclaiming the trade agreement with Uruguay and Proclamations of October 31, 1941, and December 11, 1942, proclaiming the trade agreement with Argentina	2913
2844	June 8	Patrick Henry Week, 1949	3149
2845	June 15	Designating the Columbia National Forest as the Gifford Pinchot National Forest	3273
2846	July 27	Immigration quotas	4707
2847	July 27	Termination of the suspension of additional processing tax on certain coconut oil	4773
2848	July 29	Amendments of regulations relating to migratory birds and game mammals	4798

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Appendix B

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2850	Aug. 17	Amendment of Proclamation 2523 prescribing regulations relating to the control of persons entering or leaving the United States	5173
2851	Aug. 24	Determining Bemidone and six other drugs to be opiates	5361
2852	Aug. 25	Panama Canal toll rates; further postponing the effective date of Proclamation 2775 of March 26, 1948 prescribing changes	5361
2853	Aug. 25	United Nations Day, 1949	5363
2854	Aug. 26	Amendments of regulations relating to migratory birds and game mammals	5363
2855	Aug. 30	National Employ the Physically Handicapped Week, 1949	5413
2856	Sept. 3	Change in quota year for imports of long-staple cotton and fixing of quota for interim period	5517
2857	Sept. 22	Columbus Day, 1949	5825
2858	Oct. 5	General Pulaski's Memorial Day, 1949	6105
2859	Oct. 20	Oregon; closed areas under Migratory Bird Treaty Act	6425
2860	Oct. 25	Effigy Mounds National Monument, Iowa; establishment	6541
2861	Oct. 26	Pakistan; suspension of tonnage duties	6544
2862	Oct. 29	Armistice Day, 1949	6657
2863	Nov. 5	Colombian Trade Agreement Proclamation; termination	6765
2864	Nov. 10	Thanksgiving Day, 1949	6825
2865	Nov. 30	Supplementing the Proclamations of December 16, 1947, and January 1, 1948, carrying out the General Agreement on Tariffs and Trade and the exclusive trade agreement with Cuba, respectively, and terminating in part the Proclamation of January 30, 1948	7303
2866	Dec. 6	United Nations Human Rights Day	7415
2867	Dec. 22	Carrying out the Annecy protocol of terms of accession to the General Agreement on Tariffs and Trade, dated October 10, 1949, and supplementing the Proclamations of December 16, 1947, and January 1, 1948	7723
2868	Dec. 29	Copyright extension: Australia	7823

EXECUTIVE ORDERS

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Appendix C—Presidential Reports to the Congress

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Midyear	H. Doc. 252	July 11	July 11
Philippine Alien Property Administration	H. Doc. 449	Jan. 13	Jan. 13
Foreign Service Retirement and Disability System	H. Doc. 39	Jan. 13	Jan. 13
National Capital Housing Authority	.....	Jan. 31	Jan. 31
Air Coordinating Committee for 1948	H. Doc. 59	Feb. 7	Feb. 7
Economic Cooperation Administration Second quarterly	H. Doc. 74	Feb.14	Feb. 14
Third quarterly	H. Doc. 179	May 16	May 16
Fourth quarterly	H. Doc. 308	Aug. 25	Aug. 25
Fifth quarterly	H. Doc. 416	Nov. 15 [a]	Nov. 15
Lend-Lease Operations 27th report	H. Doc. 75	Feb. 14	Feb. 14
28th report	H. Doc. 263	(S)July 15 (H)July 18	July 15 .....
Civil Service Commission	H. Doc. 13	Feb. 17	Feb. 17
United Nations Relief and Rehabilitation Administration 16th, 17th, and 18th quarterly	H. Doc. 94	Mar. 2	Mar. 2
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Military Assistance to Greece and Turkey Sixth quarterly	H. Doc. 123	Mar. 17	Mar. 17
Seventh quarterly	H. Doc. 284	Aug. 1	Aug. 1
Eighth quarterly	H. Doc. 417	Nov. 28 [a]	Nov. 28
Railroad Retirement Board for Fiscal Year ended June 30, 1948	.....	Mar. 24	Mar. 24
Panama Canal, Governor's Annual Report	H. Doc. 22	Mar. 25	Mar. 25
National Advisory Committee for Aeronautics	.....	Apr. 5	Apr. 5
United States Participation in United Nations	H. Doc. 178	May 12	May 12
Panama Railroad Company	.....	June 28	June 28
Alien Property Office, Department of Justice	H. Doc. 89	(S)July 15 (H)July 18	July 15 .....

[a] Delivered to the Secretary of the Senate and to the Clerk of the House.

Appendix D—Rules Governing This Publication

[Reprinted from the Federal Register, vol. 24, p. 2354, dated March 26, 1959]

TITLE I—GENERAL PROVISIONS

Chapter I—Administrative Committee of the Federal Register

PART 32—PUBLIC PAPERS OF THE PRESIDENTS OF THE UNITED STATES

PUBLICATION AND FORMAT

Sec.

32.1 Publication required.
32.2 Coverage of prior years.
32.3 Format, indexes, ancillaries.

SCOPE

32.10 Basic criteria.
32.11 Sources.

FREE DISTRIBUTION

32.15 Members of Congress.
32.16 The Supreme Court.
32.17 Executive agencies.

PAID DISTRIBUTION

32.20 Agency requisitions.
32.21 Extra copies.
32.22 Sale to public.

AUTHORITY: §§ 32.1 to 32.22 issued under sec. 6, 49 Stat. 501, as amended; 44 U.S.C. 306.

PUBLICATION AND FORMAT

§ 32.1 *Publication required.* There shall be published forthwith at the end of each calendar year, beginning with the year 1957, a special edition of the FEDERAL REGISTER designated "Public Papers of the Presidents of the United States." Each volume shall cover one calendar year and shall be identified further by the name of the President and the year covered.

§ 32.2 *Coverage of prior years.* After conferring with the National Historical Publications Commission with respect to the need therefor, the Administrative Committee may from time to time authorize the publication of similar volumes covering specified calendar years prior to 1957.

§ 32.3 *Format, indexes, ancillaries.* Each annual volume, divided into books whenever appropriate, shall be separately published in the binding and style deemed by the Administrative Committee to be suitable to the dignity of the office of President of the United States. Each volume shall be appropriately indexed and shall contain appropriate ancillary information respecting significant Presidential documents not published in full text.

SCOPE

§ 32.10 *Basic criteria.* The basic text of the volumes shall consist of oral utterances by the President or of writings subscribed by him. All materials selected for inclusion under these criteria must also be in the public domain by virtue of White House press release or otherwise.

§ 32.11 *Sources.* (a) The basic text of the volumes shall be selected from the official text of: (1) Communications to the Congress, (2) public addresses, (3) transcripts of press conferences, (4) public letters, (5) messages to heads of state, (6) statements released on miscellaneous subjects, and (7) formal executive documents promulgated in accordance with law.

(b) Ancillary text, notes, and tables shall be derived from official sources only.

FREE DISTRIBUTION

§ 32.15 *Members of Congress.* Each member of Congress, during his term of office, shall be entitled to one copy of each annual volume published during such term; *Provided*, That authorization for furnishing such copies shall be submitted in writing to the Director and signed by the authorizing Member. [As amended effective Dec. 30, 1960, 25 F.R. 14009]

§ 32.16 *The Supreme Court.* The Supreme Court of the United States shall be entitled to twelve copies of the annual volumes.

§ 32.17 *Executive agencies.* The head of each department and the head of each independent agency in the executive branch of the Government shall be entitled to one copy of each annual volume upon application therefor in writing to the Director.

PAID DISTRIBUTION

§ 32.20 *Agency requisitions.* Each Federal agency shall be entitled to obtain at cost copies of the annual volumes for official use upon the timely submission to the Government Printing Office of a printing and binding requisition (Standard Form No. 1).

§ 32.21 *Extra copies.* All requests for extra copies of the annual volumes shall be addressed to the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. Extra copies shall be paid for by the agency or official requesting them.

§ 32.22 *Sale to public.* The annual volumes shall be placed on sale to the public by the Superintendent of Documents at prices determined by him under the general direction of the Administrative Committee.

* * * * *

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Approved March 20, 1959.

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FRANKLIN FLOETE,
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[F.R. Doc. 59-2517; Filed, Mar. 25, 1959; 8:45 a.m.]

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